

**FY 2017  
ANNUAL TAX INCREMENT FINANCE  
REPORT**



STATE OF ILLINOIS  
COMPTROLLER  
SUSANA A. MENDOZA

Name of Municipality: City of Chicago Reporting Fiscal Year: **2017**  
 County: Cook Fiscal Year End: **12/31/2017**  
 Unit Code: 016/620/30

**TIF Administrator Contact Information**

First Name: David L. Last Name: Reifman  
 Address: City Hall, 121 N LaSalle Title: Administrator  
 Telephone: (312) 744-4190 City: Chicago Zip: 60602  
 Email- TIFreports@cityofchicago.org  
 required

I attest to the best of my knowledge, that this FY 2017 report of the redevelopment project area(s)  
 in the City/Village of: City of Chicago  
 is complete and accurate pursuant to Tax Increment Allocation Redevelopment Act [65 ILCS 5/11-74.4-3 et. seq.]  
 and Industrial Jobs Recovery Law [65 ILCS 5/11-74.6-10 et. seq.]

June 29, 2018

Written signature of TIF Administrator \_\_\_\_\_ Date \_\_\_\_\_

**Section 1** (65 ILCS 5/11-74.4-5 (d) (1.5) and 65 ILCS 5/11-74.6-22 (d) (1.5)\*)

FILL OUT ONE FOR EACH TIF DISTRICT		
Name of Redevelopment Project Area	Date Designated	Date Terminated
105th/Vincennes	10/3/2001	12/31/2025
107th/Halsted	4/2/2014	12/31/2038
111th/Kedzie	9/29/1999	9/29/2022
119th/Halsted	2/6/2002	12/31/2026
119th/I-57	11/6/2002	12/31/2026
126th/Torrence	12/21/1994	12/21/2017
24th/Michigan	7/21/1999	7/21/2022
26th/King Drive	1/11/2006	12/31/2030
35th/Halsted	1/14/1997	12/31/2021
35th/State	1/14/2004	12/31/2028
35th/Wallace	12/15/1999	12/31/2023
43rd/Cottage Grove	7/8/1998	12/31/2022
47th/Ashland	3/27/2002	12/31/2026
47th/Halsted	5/29/2002	12/31/2026
47th/King Drive	3/27/2002	12/31/2026
47th/State	7/21/2004	12/31/2028
49th/St. Lawrence	1/10/1996	12/31/2020
51st/Archer	5/17/2000	12/31/2024
51st/Lake Park	11/15/2012	12/31/2036
53rd Street	1/10/2001	12/31/2025

\*All statutory citations refer to one of two sections of the Illinois Municipal Code: The Tax Increment Allocation Redevelopment Act [65 ILCS 5/11-74.4-3 et. seq.] or the Industrial Jobs Recovery Law [65 ILCS 5/11-74.6-10 et. seq.]

60th/Western	5/9/1996	5/9/2019
63rd/Ashland	3/29/2006	12/31/2030
63rd/Pulaski	5/17/2000	12/31/2024
67th/Cicero	10/2/2002	12/31/2026
67th/Wentworth	5/4/2011	12/31/2035
71st/Stony Island	10/7/1998	10/7/2021
73rd/University	9/13/2006	12/31/2030
79th Street Corridor	7/8/1998	7/8/2021
79th/Cicero	6/8/2005	12/31/2029
79th/Southwest Highway	10/3/2001	12/31/2025
79th/Vincennes	9/27/2007	12/31/2031
83rd/Stewart	3/31/2004	12/31/2028
87th/Cottage Grove	11/13/2002	12/31/2026
95th/Western	7/13/1995	12/31/2019
Addison South	5/9/2007	12/31/2031
Archer Courts	5/12/1999	12/31/2023
Archer/Central	5/17/2000	12/31/2024
Archer/Western	2/11/2009	12/31/2033
Armitage/Pulaski	6/13/2007	12/31/2031
Austin Commercial	9/27/2007	12/31/2031
Avalon Park/South Shore	7/31/2002	12/31/2026
Avondale	7/29/2009	12/31/2033
Belmont/Central	1/12/2000	12/31/2024
Belmont/Cicero	1/12/2000	12/31/2024
Bronzeville	11/4/1998	12/31/2022
Bryn Mawr/Broadway	12/11/1996	12/11/2019
Calumet/Cermak	7/29/1998	7/29/2021
Canal/Congress	11/12/1998	12/31/2022
Central West	2/16/2000	12/31/2024
Chicago Lakeside Development - Phase 1	5/12/2010	12/31/2017
Chicago/Central Park	2/27/2002	12/31/2026
Chicago/Kingsbury	4/12/2000	12/31/2024
Cicero/Archer	5/17/2000	12/31/2024
Clark/Montrose	7/7/1999	7/7/2022
Clark/Ridge	9/29/1999	9/29/2022
Commercial Avenue	11/13/2002	12/31/2026
Devon/Sheridan	3/31/2004	12/31/2028
Devon/Western	11/3/1999	12/31/2023
Diversey/Chicago River	10/5/2016	12/31/2040
Diversey/Narragansett	2/5/2003	12/31/2027
Division/Homan	6/27/2001	12/31/2025
Drexel Boulevard	7/10/2002	12/31/2026
Edgewater/Ashland	10/1/2003	12/31/2027
Elston/Armstrong Industrial Corridor	7/19/2007	12/31/2031
Englewood Mall	11/29/1989	12/31/2025
Englewood Neighborhood	6/27/2001	12/31/2025
Ewing Avenue	3/10/2010	12/31/2034
Forty-First Street and Dr. Martin Luther King, Jr. Drive	7/13/1994	12/31/2018
Foster/California	4/2/2014	12/31/2038
Fullerton/Milwaukee	2/16/2000	12/31/2024
Galewood/Armitage Industrial	7/7/1999	12/31/2023
Goose Island	7/10/1996	7/10/2019

Greater Southwest Industrial (East)	3/10/1999	12/31/2023
Greater Southwest Industrial (West)	4/12/2000	12/31/2024
Harlem Industrial Park Conservation Area	3/14/2007	12/31/2031
Harrison/Central	7/26/2006	12/31/2030
Hollywood/Sheridan	11/7/2007	12/31/2031
Homan/Arthington	2/5/1998	2/5/2021
Humboldt Park Commercial	6/27/2001	12/31/2025
Irving Park/Elston	5/13/2009	12/31/2033
Irving/Cicero	6/10/1996	12/31/2020
Jefferson Park	9/9/1998	9/9/2021
Jefferson/Roosevelt	8/30/2000	12/31/2024
Kennedy/Kimball	3/12/2008	12/31/2032
Kinzie Industrial Corridor	6/10/1998	12/31/2022
Lake Calumet Area Industrial	12/13/2000	12/31/2024
Lakefront	3/27/2002	12/31/2026
LaSalle Central	11/15/2006	12/31/2030
Lawrence/Broadway	6/27/2001	12/31/2025
Lawrence/Kedzie	2/16/2000	12/31/2024
Lawrence/Pulaski	2/27/2002	12/31/2026
Lincoln Avenue	11/3/1999	12/31/2023
Lincoln/Belmont/Ashland	11/2/1994	12/31/2018
Little Village East	4/22/2009	12/31/2033
Little Village Industrial Corridor	6/13/2007	12/31/2031
Madden/Wells	11/6/2002	12/31/2026
Madison/Austin Corridor	9/29/1999	12/31/2023
Michigan/Cermak	9/13/1989	12/31/2025
Midway Industrial Corridor	2/16/2000	12/31/2024
Midwest	5/17/2000	12/31/2036
Montclare	8/30/2000	12/31/2024
Montrose/Clarendon	6/30/2010	12/31/2034
Near North	7/30/1997	7/30/2020
North Branch North	7/2/1997	12/31/2021
North Branch South	2/5/1998	2/5/2021
North Pullman	6/30/2009	12/31/2033
North/Cicero	7/30/1997	7/30/2020
Northwest Industrial Corridor	12/2/1998	12/31/2022
Ogden/Pulaski	4/9/2008	12/31/2032
Ohio/Wabash	6/7/2000	12/31/2024
Pershing/King	9/5/2007	12/31/2031
Peterson/Cicero	2/16/2000	12/31/2024
Peterson/Pulaski	2/16/2000	12/31/2024
Pilsen Industrial Corridor	6/10/1998	12/31/2022
Portage Park	9/9/1998	9/9/2021
Pratt/Ridge Industrial Park Conservation Area	6/23/2004	12/31/2028
Pulaski Industrial Corridor	6/9/1999	12/31/2023
Randolph/Wells	6/9/2010	12/31/2034
Ravenswood Corridor	3/9/2005	12/31/2029
Read/Dunning	1/11/1991	12/31/2027
Red Purple Modernization Phase One (Transit TIF)	11/30/2016	12/31/2052
River South	7/30/1997	7/30/2020
River West	1/10/2001	12/31/2025
Roosevelt/Cicero Industrial Corridor	2/5/1998	2/5/2021

**X**

Roosevelt/Racine	11/4/1998	12/31/2034
Roosevelt/Union	5/12/1999	5/12/2022
Roseland/Michigan	1/16/2002	12/31/2026
Sanitary and Ship Canal	7/24/1991	12/31/2027
South Chicago	4/12/2000	12/31/2024
South Works Industrial	11/3/1999	12/31/2023
Stevenson Brighton	4/11/2007	12/31/2031
Stockyards Annex	12/11/1996	12/31/2020
Stockyards Southeast Quadrant Industrial	2/26/1992	12/31/2028
Stony Island Commercial/Burnside Industrial	6/10/1998	12/31/2034
Touhy/Western	9/13/2006	12/31/2030
Washington Park	10/8/2014	12/31/2038
Weed/Fremont	1/9/2008	12/31/2032
West Irving Park	1/12/2000	12/31/2024
West Woodlawn	5/12/2010	12/31/2034
Western Avenue North	1/12/2000	12/31/2024
Western Avenue South	1/12/2000	12/31/2024
Western/Ogden	2/5/1998	2/5/2021
Western/Rock Island	2/8/2006	12/31/2030
Wilson Yard	6/27/2001	12/31/2025
Woodlawn	1/20/1999	1/20/2022

**SECTION 2 [Sections 2 through 5 must be completed for each redevelopment project area listed in Section 1.]  
FY 2017**

<b>Name of Redevelopment Project Area (below):</b> <p style="text-align: center;"><b>Stockyards Southeast Quadrant Industrial Redevelopment Project Area</b></p>
<b>Primary Use of Redevelopment Project Area*: Industrial</b>

\*Types include: Central Business District, Retail, Other Commercial, Industrial, Residential, and Combination/Mixed.

<b>If 'Combination/Mixed' List Component Types:</b>
<b>Under which section of the Illinois Municipal Code was Redevelopment Project Area designated? (check one):</b> <div style="display: flex; justify-content: flex-end; gap: 20px;"> <span>Tax Increment Allocation Redevelopment Act <input checked="" type="checkbox"/></span> <span>Industrial Jobs Recovery Law <input type="checkbox"/></span> </div>

	No	Yes
Were there any amendments to the redevelopment plan, the redevelopment project area, or the State Sales Tax Boundary? [65 ILCS 5/11-74.4-5 (d) (1) and 5/11-74.6-22 (d) (1)] <b>If yes, please enclose the amendment labeled Attachment A</b>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Certification of the Chief Executive Officer of the municipality that the municipality has complied with all of the requirements of the Act during the preceding fiscal year. [65 ILCS 5/11-74.4-5 (d) (3) and 5/11-74.6-22 (d) (3)] <b>Please enclose the CEO certification labeled Attachment B</b>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Opinion of legal counsel that municipality is in compliance with the Act. [65 ILCS 5/11-74.4-5 (d) (4) and 5/11-74.6-22 (d) (4)] <b>Please enclose the Legal Counsel Opinion labeled Attachment C</b>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Statement setting forth all activities undertaken in furtherance of the objectives of the redevelopment plan including any project implemented and a description of the redevelopment activities.? [65 ILCS 5/11-74.4-5 (d) (7) (A and B) and 5/11-74.6-22 (d) (7) (A and B)] <b>If yes, please enclose the Activities Statement labeled Attachment D</b>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Were any agreements entered into by the municipality with regard to the disposition or redevelopment of any property within the redevelopment project area or the area within the State Sales Tax Boundary? [65 ILCS 5/11-74.4-5 (d) (7) (C) and 5/11-74.6-22 (d) (7) (C)] <b>If yes, please enclose the Agreement(s) labeled Attachment E</b>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Is there additional information on the use of all funds received under this Division and steps taken by the municipality to achieve the objectives of the redevelopment plan? [65 ILCS 5/11-74.4-5 (d) (7) (D) and 5/11-74.6-22 (d) (7) (D)] <b>If yes, please enclose the Additional Information labeled Attachment F</b>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Did the municipality's TIF advisors or consultants enter into contracts with entities or persons that have received or are receiving payments financed by tax increment revenues produced by the same TIF? [65 ILCS 5/11-74.4-5 (d) (7) (E) and 5/11-74.6-22 (d) (7) (E)] <b>If yes, please enclose the contract(s) or description of the contract(s) labeled Attachment G</b>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Were there any reports or meeting minutes submitted to the municipality by the joint review board? [65 ILCS 5/11-74.4-5 (d) (7) (F) and 5/11-74.6-22 (d) (7) (F)] <b>If yes, please enclose the Joint Review Board Report labeled Attachment H</b>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Were any obligations issued by municipality? [65 ILCS 5/11-74.4-5 (d) (8) (A) and 5/11-74.6-22 (d) (8) (A)] <b>If yes, please enclose any Official Statement labeled Attachment I and Attachment J <u>MUST</u> be Yes</b>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
An analysis prepared by a financial advisor or underwriter setting forth the nature and term of obligation and projected debt service including required reserves and debt coverage? [65 ILCS 5/11-74.4-5 (d) (8) (B) and 5/11-74.6-22 (d) (8) (B)] <b>If attachment I is yes, Analysis <u>MUST</u> be attached and labeled Attachment J</b>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Has a cumulative of \$100,000 of TIF revenue been deposited into the special tax allocation fund? 65 ILCS 5/11-74.4-5 (d) (2) and 5/11-74.6-22 (d) (2) <b>If yes, please enclose Audited financial statements of the special tax allocation fund labeled Attachment K</b>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Cumulatively, have deposits of incremental taxes revenue equal to or greater than \$100,000 been made into the special tax allocation fund? [65 ILCS 5/11-74.4-5 (d) (9) and 5/11-74.6-22 (d) (9)] <b>If yes, The audit report shall contain a letter from the independent certified public accountant indicating compliance or noncompliance with the requirements of subsection (q) of Section 11-74.4-3 labeled Attachment L</b>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
A list of all intergovernmental agreements in effect to which the municipality is a part, and an accounting of any money transferred or received by the municipality during that fiscal year pursuant to those intergovernmental agreements. [65 ILCS 5/11-74.4-5 (d) (10)] <b>If yes, please enclose list only, not actual agreements labeled Attachment M</b>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

**SECTION 3.1 (65 ILCS 5/11-74.4-5 (d)(5)(a)(b)(d) and 65 ILCS 5/11-74.6-22 (d) (5)(a)(b)(d))**

**Provide an analysis of the special tax allocation fund.**

**FY 2017**

**TIF NAME: Stockyards Southeast Quadrant Industrial Redevelopment Project Area**

Special Tax Allocation Fund Balance at Beginning of Reporting Period: \$ 4,953,358

SOURCE of Revenue/Cash Receipts:	Revenue/Cash Receipts for Current Reporting Year	Cumulative Totals of Revenue/Cash Receipts for life of TIF	% of Total
Property Tax Increment	\$ 1,423,433	\$ 38,492,030	52%
State Sales Tax Increment			
Local Sales Tax Increment			
State Utility Tax Increment			
Local Utility Tax Increment			
Interest	\$ 67,984	\$ 1,293,025	2%
Land/Building Sale Proceeds			
Bond Proceeds		\$ 30,400,000	41%
Transfers from Municipal Sources		\$ 3,675,608	5%
Private Sources			
Other (identify source _____; if multiple other sources, attach schedule)		\$ 94,635	0%

**All Amount Deposited in Special Tax Allocation by source** \$ 1,491,417

**Cumulative Total Revenues/Cash Receipts** \$ 73,955,298 100%

**Total Expenditures/Cash Disbursements (Carried forward from Section 3.2)** \$ 91,648

**Transfers to Municipal Sources** \$

**Distribution of Surplus** \$ 1,147,000

**Total Expenditures/Disbursements** \$ 1,238,648

**Net Income/Cash Receipts Over/(Under) Cash Disbursements** \$ 252,769

**FUND BALANCE, END OF REPORTING PERIOD\*** \$ 5,206,127

\*If there is a positive fund balance at the end of the reporting period, you must complete Section 3.3

(a) Cumulative figures for the categories of 'Interest,' 'Land/Building Sale Proceeds' and 'Other' may not be fully available for this report due to either: (i) the disposal of certain older records pursuant to the City's records retention policy, or (ii) the extraordinary administrative burden of developing cumulative City records prior to the City's conversion to its current accounting system in 2003.

**Schedule of "Other" Sources of Revenue/Cash Receipts Deposited in Fund During Reporting FY□  
(Total and Cumulative Values Carried Forward to Section 3.1)**

**FY 2017**

**TIF NAME: Stockyards Southeast Quadrant Industrial Redevelopment Project Area**

"Other" Sources	Reporting Year	Cumulative
Cumulative Revenue Prior to 2017		\$ 94,635
Note Proceeds		
Non-compliance Payment		
Excess Reserve Requirement		
Build America Bonds Subsidy		
Collection Returns		
Credits from Expenditures		

**Total Schedule of "Other" Sources During Reporting Period**      \$ -

**Cumulative Total Schedule of "Other" Sources**      \$ 94,635

**SECTION 3.2 A- (65 ILCS 5/11-74.4-5 (d) (5) (c) and 65 ILCS 5/11-74.6-22 (d) (5)(c))**

**FY 2017**

**TIF NAME: Stockyards Southeast Quadrant Industrial Redevelopment Project Area**

**ITEMIZED LIST OF ALL EXPENDITURES FROM THE SPECIAL TAX ALLOCATION FUND**

(by category of permissible redevelopment project costs)

**PAGE 1**

Category of Permissible Redevelopment Project Cost [65 ILCS 5/11-74.4-3 (q) and 65 ILCS 5/11-74.6-10 (o)]	Amounts	Reporting Fiscal Year
1. Cost of studies, surveys, development of plans, and specifications. Implementation and administration of the redevelopment plan, staff and professional service cost.		
	\$ 80,574	
		\$ 80,574
2. Annual administrative cost.		
		\$ -
3. Cost of marketing sites.		
		\$ -
4. Property assembly cost and site preparation costs.		
		\$ -
5. Costs of renovation, rehabilitation, reconstruction, relocation, repair or remodeling of existing public or private building, leasehold improvements, and fixtures within a redevelopment project area.		
		\$ -
6. Costs of construction of public works or improvements.		
	\$ 11,074	
		\$ 11,074



**SECTION 3.2 A**

**PAGE 3**

13. Relocation costs.		
		\$ -
14. Payments in lieu of taxes.		
		\$ -
15. Costs of job training, retraining, advanced vocational or career education.		
		\$ -
16. Interest cost incurred by redeveloper or other nongovernmental persons in connection with a redevelopment project.		
Costs of interest incurred by a developer related to the construction, renovation or rehabilitation of a redevelopment project.		
Costs of construction of new housing units for low income or very low income households.		
		\$ -
17. Cost of day care services.		
		\$ -
18. Other.		
		\$ -
<b>TOTAL ITEMIZED EXPENDITURES</b>		<b>\$ 91,648</b>





**SECTION 4 [65 ILCS 5/11-74.4-5 (d) (6) and 65 ILCS 5/11-74.6-22 (d) (6)]**

**FY 2017**

**TIF NAME: Stockyards Southeast Quadrant Industrial Redevelopment Project Area**

Provide a description of all property purchased by the municipality during the reporting fiscal year within the redevelopment project area.

**Check here if no property was acquired by the Municipality within the Redevelopment Project Area.**

**Property Acquired by the Municipality Within the Redevelopment Project Area.**

Property (1):	
Street address:	1516 W. 41th St.
Approximate size or description of property:	
Purchase price:	
Seller of property:	

Property (2):	
Street address:	
Approximate size or description of property:	
Purchase price:	
Seller of property:	

Property (3):	
Street address:	
Approximate size or description of property:	
Purchase price:	
Seller of property:	

Property (4):	
Street address:	
Approximate size or description of property:	
Purchase price:	
Seller of property:	

## SECTION 5 - 20 ILCS 620/4.7 (7)(F)

PAGE 1

FY 2017

TIF Name: **Stockyards Southeast Quadrant Industrial Redevelopment Project Area**Page 1 is to be included with TIF report. Pages 2 and 3 are to be included **ONLY** if projects are listed.Select **ONE** of the following by indicating an 'X':

1. <b>NO</b> projects were undertaken by the Municipality Within the Redevelopment Project Area.	_____
2. The Municipality <b>DID</b> undertake projects within the Redevelopment Project Area. (If selecting this option, complete 2a.)	_____ <b>X</b>
<b>2a.</b> The number of projects undertaken by the municipality within the Redevelopment Project Area:	<b>1</b>

**LIST** the projects undertaken by the Municipality Within the Redevelopment Project Area:

<b>TOTAL:</b>	<b>11/1/99 to Date</b>	<b>Estimated Investment for Subsequent Fiscal Year</b>	<b>Total Estimated to Complete Project</b>
Private Investment Undertaken (See Instructions)	\$	\$ -	\$ 1,000,000
Public Investment Undertaken	\$	\$	\$ 500,000
Ratio of Private/Public Investment	-	-	2

\*PROJECT NAME TO BE LISTED AFTER PROJECT NUMBER

**Project 1\*: SBIF - Stockyards Southeast Quadrant\*\* (Project is Ongoing\*\*\*)**

Private Investment Undertaken (See Instructions)	-	\$ 1,000,000
Public Investment Undertaken	-	\$ 500,000
Ratio of Private/Public Investment	-	2

**Project 2\*:**

Private Investment Undertaken (See Instructions)	-	\$
Public Investment Undertaken	-	\$
Ratio of Private/Public Investment	-	

**Project 3\*:**

Private Investment Undertaken (See Instructions)	-	\$
Public Investment Undertaken	-	\$
Ratio of Private/Public Investment	-	

**Project 4\*:**

Private Investment Undertaken (See Instructions)	-	\$
Public Investment Undertaken	-	\$
Ratio of Private/Public Investment	-	

**Project 5\*:**

Private Investment Undertaken (See Instructions)	-	\$
Public Investment Undertaken	-	\$
Ratio of Private/Public Investment	-	

**Project 6\*:**

Private Investment Undertaken (See Instructions)	-	\$
Public Investment Undertaken	-	\$
Ratio of Private/Public Investment	-	

## Section 5 Notes

**FY 2017**

**TIF NAME: Stockyards Southeast Quadrant Industrial Redevelopment Project Area**

\*\* Depending on the particular goals of this type of program, the City may: i) make an advance disbursement of the entire public investment amount to the City's program administrator, ii) disburse the amounts through an escrow account, or iii) pay the funds out piecemeal to the program administrator or to the ultimate grantee as each ultimate grantee's work is approved under the program.

\*\*\* As of the last date of the reporting fiscal year, the construction of this Project was ongoing; the Private Investment Undertaken and Ratio figures for this Project will be reported on the Annual Report for the fiscal year in which the construction of the Project is completed and the total Private Investment figure is available.

(a) Each actual or estimated Public Investment reported here is, to the extent possible, comprised only of payments financed by tax increment revenue, and may include interest amounts paid to finance the Public Investment amount. In contrast, each actual or estimated Private Investment reported here is, to the extent possible, comprised of payments financed by revenues that are not tax increment revenues and, therefore, may include private equity, private lender financing, private grants, other public monies, or other local, state or federal grants or loans.

(b) Each amount reported here under Public Investment Undertaken, Total Estimated to Complete Project, is the maximum amount of payments financed by tax increment revenue that could be made pursuant to the corresponding Project's operating documents, but not including interest that may later be payable on developer notes, and may not necessarily reflect actual expenditures, if any, as reported in Section 3 herein. The total public investment amount ultimately made under each Project will depend upon the future occurrence of various conditions, including interest that may be payable on developer notes as set forth in the Project's operating documents.





The Stockyards Southeast Quadrant Industrial  
Tax Increment Financing  
Redevelopment Plan and Project

February 26, 1992  
Amendment No. 1 as of September 14, 1994  
Amendment No. 2 as of January 10, 1996  
Amendment No. 3 as of March 19, 1997  
Amendment No. 4 as of July 30, 2014  
Amendment No. 5 as of November 1, 2016

**Amendment No. 6**  
**June 2, 2017**

City of Chicago  
Rahm Emanuel, Mayor

Department of Planning and Development  
David L. Reifman, Commissioner

## Amendment No. 6 Table of Contents

### Amendment No. 6 Summary

<b>Section I.</b>	<b>Executive Summary.....</b>	<b>4</b>
<b>Section II.</b>	<b>Introduction.....</b>	<b>6</b>
<b>Section III.</b>	<b>Redevelopment Project Area and Legal Description.....</b>	<b>9</b>
<b>Section IV.</b>	<b>Redevelopment Project Area Goals and Objectives.....</b>	<b>14</b>
<b>Section V.</b>	<b>Basis for Eligibility of the Redevelopment Project Area.....</b>	<b>15</b>
<b>Section VI.</b>	<b>Stockyards Southeast Quadrant Industrial Redevelopment Project.....</b>	<b>17</b>
<b>Section VII.</b>	<b>Commitment to Fair Employment Practices and Affirmative Action.....</b>	<b>27</b>
	<b>Plan</b>	

### Plan Appendix

• <b>Exhibit A - Boundary Map.....</b>	<b>29</b>
(A map of the boundaries of the Redevelopment Project Area)	
• <b>Exhibit B - Existing Land Use.....</b>	<b>30</b>
(The existing land uses of the Redevelopment Project Area)	
• <b>Exhibit C - General Land Use Plan.....</b>	<b>31</b>
(The Redevelopment Project Area Land Use Plan)	
• <b>Exhibit D - Existing Zoning.....</b>	<b>32</b>
(Existing zoning classifications regarding the Redevelopment Project Area)	
• <b>Exhibit E - Existing Conditions.....</b>	<b>33</b>
(The existing conditions in the Added Area only)	
• <b>Exhibit F - Adjacent TIF / Redevelopment Areas.....</b>	<b>34</b>
(Redevelopment Areas adjacent to the Redevelopment Project Area)	

### Plan Attachments

- **Attachment 1 - Added Area Eligibility Study** (The Added Area Eligibility Study regarding the Added Area only)
- **Attachment 2 - Parcel EAV Listing** (A Parcel Identification Number (“PIN”) listing of the Added Area); **Corrected Certificate of Initial Equalized Assessed Value**
- **Attachment 2A – Parcel Locator Map**

## Amendment No. 6 Summary

Tax Increment Financing (“TIF”) is permitted by the Illinois Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1 et seq., as amended (the “Act”). The Act provides a mechanism for municipalities, after meeting the requirements and procedures for establishing a redevelopment project area and a redevelopment plan, to mitigate blighting influences, encourage local growth and development, and attract new private development to the redevelopment area.

The Stockyards Southeast Quadrant Industrial Tax Increment Financing Redevelopment Plan and Project (the “**Original Plan**”) and Project Area (the “**Original Project Area**”) was approved on February 26, 1992, amended by Amendment No. 1 on September 14, 1994, amended by Amendment No. 2 on January 10, 1996, amended by Amendment No. 3 on March 19, 1997, amended by Amendment No. 4 on July 30, 2014 and subsequently amended by Amendment No. 5 on November 1, 2016 which extended the life of the TIF by an additional 12 years. The Original Plan included a legal description of the Original Area, assessment of TIF eligibility factors, goals and objectives, project costs, sources of funds, valuation of parcels, impacts on surrounding areas and taxing bodies, and a brief housing impact analysis.

The Original Plan, inclusive of Amendments No. 1 thru 5, is being amended to expand the boundaries, update the budget and increment projections, add portability language allowing portability between The Stockyards Southeast Quadrant Industrial TIF and all adjacent TIF districts and bring the Original Plan up to current City policy standards in accordance with the Act. This Amendment No. 6 document (the “Amendment”) will provide information on the area proposed to be added and qualified (the “Added Area”) to the Original Area and other changes to the Original Plan.

### MODIFICATIONS TO ORIGINAL PROJECT AND PLAN

The Stockyards Southeast Quadrant Industrial Tax Increment Financing Redevelopment Project Area which was referred to as the “**Project Area**” will herein be referred to as the “**Original Project Area**”. The area proposed to be added to the Original Project Area will herein be referred to as the “**Added Area**”. The Original Project Area, as amended by the Added Area, shall be referred to herein as the “**Redevelopment Project Area**”.

Additionally, the Stockyards Southeast Quadrant Industrial Tax Increment Financing Redevelopment Plan and Project as amended, shall hereinafter be referred to as the “**Redevelopment Plan**”. The amendments to the Original Plan are outlined below with the Eligibility Study attached for the Added Area. Each of the changes detailed below follow the format of the Original Plan.

As the Original Project Area does not require a new Eligibility Study, references to “Eligibility Study” in this Amendment shall mean the eligibility study required to qualify the Added Area (the “**Added Area Eligibility Study**”). Any references in the Added Area Eligibility Study are specific to the Added Area Eligibility Study document only and not this Amendment. References to the “Project Area” in the Added Area Eligibility Study are meant to mean only the Added Area for that Study and not the Redevelopment Project Area as indicated in this Redevelopment Plan.

This Amendment No. 6 summarizes the analysis and findings of the Consultants which unless otherwise noted, are the responsibility of the Consultants. The City of Chicago is entitled to rely

on the findings and conclusions of this Amendment No. 6 in making the amendments to the Original Plan provided for herein. The Consultants have prepared this Amendment No. 6 and the related Eligibility Study (**Attachment 1**) with the understanding that the City would rely: 1) on the findings and conclusions of this Amendment No. 6 and the adoption and implementation of this Amendment No. 6; and 2) on the fact that the Consultants have obtained the necessary information for this Amendment No. 6 and related Eligibility Study to comply with the Act. The changes provided by this Amendment are outlined in the following sections that conform to the format of the Original Plan.

*Executive Summary is deleted and replaced with the following:*

## **Section I. Executive Summary**

The Stockyards Southeast Quadrant Industrial TIF Redevelopment Plan (the “Original Plan”) and Project Area (the “Original Project Area”) was approved in February of 1992, amended by Amendment No. 1 in September of 1994, amended by Amendment No. 2 in January of 1996, amended by Amendment No. 3 in March 1997, amended Amendment No. 4 in July 2014 and subsequently amended by Amendment No. 5 in November of 2016 which extended the life of the TIF by an additional 12 years. This Amendment No. 6 (the “Amendment”) was approved to extend the boundaries of the Area, update the budget and increment projections, add portability language allowing portability between The Stockyards Southeast Quadrant Industrial TIF and all adjacent TIF districts and bring the Original Plan up to current City of Chicago (the “City”) ordinance and policy standards.

### **Area Location**

The Redevelopment Project Area encompasses approximately 270.9 acres of improved and vacant land inclusive of perimeter and interior streets. It includes the Original Project Area of approximately 227 acres plus the Added Area which includes approximately 43.9 acres. The boundaries of the Original Area have been expanded to include the Added Area which is generally bounded by the Norfolk Southern railroad tracks on the north; Racine Avenue on the east; 43<sup>rd</sup> Street on the south; and Ashland Avenue and Packers Avenue on the west. (**See Plan Appendix, Exhibit A – Boundary Map**).

### **Existing Conditions**

The Redevelopment Project Area is located in the New City Community Area within the area known as the former Union Stockyards which is primarily an industrial area. While there are portions of the Redevelopment Project Area that remain underutilized, there have been some improvements made in the Original Area including but not limited to infrastructure improvements, environmental remediation, and land assembly to facilitate private development since the establishment of the Stockyards Southeast Quadrant Industrial TIF. The Added Area remains underutilized. Many structures in the Added Area are in need of major repair due to depreciation of physical maintenance and other conditions. Declining public and private investment is also evidenced by deterioration and depreciation of maintenance of some of the public infrastructure components (principally streets and sidewalks) and deterioration of private properties as documented in **Attachment 1 – Added Area Eligibility Study**, for the Added Area.

There are a total of 16 buildings in the Added Area and sixty-nine percent (69%) or 11 of the buildings are 35 years of age or older. Zoning classifications in the Redevelopment Project Area include light industry with the majority of the Redevelopment Project Area being a Planned Manufacturing District. as shown in the **Plan Appendix, Exhibit D – Existing Zoning** map.

The Original Area was characterized by the following conditions:

- the predominance of structures that are 35 years old or older;
- dilapidation;

- obsolescence;
- deterioration;
- structures below minimum code standards;
- excessive vacancies;
- lack of ventilation, light or sanitary facilities;
- inadequate utilities;
- deleterious land use or layout;
- depreciation of physical maintenance; and
- lack of community planning.

The improved portions of the Added Area are characterized by the following conditions:

- the predominance of buildings that are 35 years of age or older (69% of buildings);
- obsolescence (50% of buildings);
- deteriorated buildings (75% of buildings);
- deteriorated site improvements (89% of parcels);
- deteriorated street and/or sidewalk pavement (100% of parcels);
- excessive vacancies (51% of building square footage); and
- demonstrates declining and subpar equalized assessed valuation growth (meets all thresholds).

The vacant portion of the Added Area, which constitutes approximately 10% of net land area, is characterized by the following conditions:

- obsolete platting (75% of vacant parcels)
- deterioration of structures or site improvements in neighboring areas (100% of vacant parcels).

In addition, the Added Area exhibits other characteristics to a lesser extent which are set forth in **Attachment 1 – Added Area Eligibility Study**. These lesser characteristics include lack of ventilation, light and sanitation facilities as well as excessive land coverage or overcrowding of structures, tax delinquencies, and deleterious land use or layout.

The Original Project Area was characterized by conditions that qualified it to be designated as a vacant and improved “blighted area” within the definitions set forth in the Act.

This Redevelopment Plan and the supporting documentation contained in the **Original Plan and Eligibility Study** and as found in **Attachment 1 – Added Area Eligibility Study**, for the Added Area, indicate that the Redevelopment Project Area on the whole has not been subject to growth and development through investment by private enterprise, and would not reasonably be anticipated to be developed without the adoption of the Redevelopment Plan.

This Amendment No.6 has been formulated to amend the Original Plan inclusive of Amendments No. 1 thru 5 in accordance with the provisions of the Act. The Redevelopment Plan is to serve as a guide to all proposed public and private action in the Redevelopment Project Area. In addition to describing the objectives of redevelopment, the Redevelopment Plan sets forth the overall program to be undertaken to accomplish these objectives. This program is the “**Redevelopment Project**”.

## Section II. Introduction

*Add a new paragraph between paragraphs two and three that states as follows:*

The Added Area includes approximately 43.9 acres and 33 tax parcels. The boundaries of the Original Area have been expanded to include the Added Area which is generally bounded by the Norfolk Southern railroad tracks on the north; Racine Avenue on the east; 43<sup>rd</sup> Street on the south; and Ashland Avenue and Packers Avenue on the west. (**See Plan Appendix, Exhibit A – Boundary Map**).

*The last sentence of paragraph three is deleted and replaced with the following:*

The redevelopment of this Redevelopment Project Area is expected to encourage economic growth within the community and the surrounding areas.

*Delete the subsection of the Introduction entitled "Tax Increment Allocation Redevelopment Act" and replace it with the following:*

### **Statutory Basis for Tax Increment Financing**

In January 1977, TIF was made possible by the Illinois General Assembly through passage of the Act. The Act provides a means for municipalities, after the approval of a redevelopment plan and project, to redevelop blighted, conservation, or industrial park conservation areas and to finance eligible "redevelopment project costs" with incremental property tax revenues. "Incremental property tax" or "incremental property taxes" are derived from the increase in the current equalized assessed value ("EAV") of real property within the redevelopment project area, over and above the certified initial EAV of such real property. Any increase in EAV is then multiplied by the current tax rate, which results in incremental property taxes. A decline in current EAV does not result in a negative incremental property tax.

To finance redevelopment project costs, a municipality may issue obligations secured by incremental property taxes to be generated within the project area

TIF does not generate tax revenues by increasing tax rates. It generates revenues by allowing the municipality to capture, for a specified period, the new revenues produced by the enhanced valuation of properties resulting from the municipality's redevelopment program, improvements and activities, various redevelopment projects, and the reassessment of properties. This increase or "increment" can be used to finance "redevelopment project costs" such as land acquisition, site clearance, building rehabilitation, interest subsidy, construction of public infrastructure, etc., as permitted by the Act.

Under the Act, all taxing districts continue to receive property taxes levied on the initial valuation of properties within the redevelopment project area. Additionally, taxing districts can receive distributions of excess incremental property taxes when annual incremental property taxes received exceed principal and interest obligations for that year and redevelopment project costs necessary to implement the plan have been paid. Taxing

districts also benefit from the increased property tax base after redevelopment project costs and obligations are paid.

The Act requires an assessment of any financial impact of the Redevelopment Project Area on, or any increased demand for services from, any taxing district affected by the Redevelopment Plan and a description of any program to address such financial impacts or increased demand. The City intends to monitor development in the Redevelopment Project Area and with the cooperation of the other affected taxing districts will attempt to ensure that any increased needs are addressed in connection with any particular development.

As used herein and in the Act, the term "Redevelopment Project" ("Project") means any public and private development project in furtherance of the objectives of a redevelopment plan. The term "Area" means an area designated by the municipality, which is not less in the aggregate than 1-1/2 acres and in respect to which the municipality has made a finding that there exist conditions which cause the area to be classified as an industrial park conservation area, a blighted area, or a conservation area, or a combination of both blighted area and conservation area. The term "Plan" means the comprehensive program of the municipality for development or redevelopment intended by the payment of redevelopment project costs to reduce or eliminate those conditions, the existence of which qualified the redevelopment project area for utilization of TIF.

The Illinois General Assembly made various findings in adopting the Act:

1. That there exists in many municipalities within the State of Illinois (the "State") blighted and conservation areas; and
2. That the eradication of blighted areas and the treatment and improvement of conservation areas by redevelopment projects are essential to the public interest and welfare.

These findings were made on the basis that the presence of blight, or conditions which lead to blight, are detrimental to the safety, health, welfare and morals of the public.

To ensure that the exercise of these powers is proper and in the public interest, the Act specifies certain requirements that must be met before a municipality can proceed with implementing a redevelopment plan. One of these requirements is that the municipality must demonstrate that a redevelopment project area qualifies for designation. With certain exceptions, an area must qualify generally either as:

- a blighted area (both "improved" and "vacant"); or
- a conservation area; or
- a combination of both blighted areas and conservation areas within the definitions for each set forth in the Act.

The Act offers detailed definitions of the blighting factors used to qualify areas. These definitions were used as the basis for preparing the Eligibility Study.

*Subsection B. The Redevelopment Plan and Project for the Stockyards Southeast Quadrant Industrial Tax Increment Financing Redevelopment Project Area, fourth paragraph is deleted and replaced with the following:*

This Plan specifically describes the Area and summarizes the factors identified in the Eligibility Study for the Original Area and as found in **Attachment 1 – Added Area Eligibility Study**, for the Added Area, which qualify the area as a conservation and/or blighted area as defined by the Act.

### Section III. Redevelopment Project Area and Legal Description

*The second, third and fourth sentences of the first paragraph are deleted and replaced with the following:*

The Redevelopment Project Area contains approximately 270.9 acres. The boundaries of the Original Area have been expanded to include the Added Area which is generally bounded by the Norfolk Southern railroad tracks on the north; Racine Avenue on the east; 43<sup>rd</sup> Street on the south; and Ashland Avenue and Packers Avenue on the west. (**See Plan Appendix, Exhibit A – Boundary Map**). Halsted Street, 43<sup>rd</sup> Street, 47<sup>th</sup> Street and Ashland and Racine Avenues provide the major access to the Redevelopment Project Area.

Since the boundaries of the Area include approximately 270.9 acres of land, the statutory minimum of 1.5 acres is exceeded.

*The Legal Description is deleted and replaced with the following:*

A TRACT OF LAND IN THE NORTHEAST QUARTER, IN THE SOUTHEAST QUARTER, IN THE EAST HALF OF THE SOUTHWEST QUARTER AND IN THE NORTHWEST QUARTER OF SECTION 5, TOWNSHIP 38 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHEAST CORNER OF SAID SECTION 5;

THENCE WEST ALONG THE SOUTH LINE OF SAID SOUTHEAST QUARTER 2640 FEET MORE OR LESS, TO THE WEST LINE OF SAID SOUTHEAST QUARTER;

THENCE NORTH 1320 FEET ALONG LAST SAID WEST LINE TO THE SOUTH LINE OF THE NORTHEAST QUARTER OF THE SOUTHWEST QUARTER BEING THE SOUTH LINE OF PACKER'S SUBDIVISION OF THE NORTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 5 AFORESAID AS RECORDED SEPTEMBER 20, 1870 AS DOCUMENT 66615;

THENCE WEST 910 FEET ALONG LAST SAID SOUTH LINE TO A LINE 33 FEET WEST OF AND PARALLEL TO THE CENTERLINE OF PACKERS AVENUE;

THENCE NORTH 1330 FEET ALONG LAST SAID LINE 33 FEET WEST OF THE CENTERLINE OF PACKERS AVENUE TO THE NORTH LINE OF SAID SOUTHWEST QUARTER OF SECTION 5;

THENCE EAST 479 FEET MORE OR LESS, ALONG LAST SAID NORTH LINE TO THE SOUTHEAST CORNER OF BLOCK 5 IN PACKER'S ADDITION TO CHICAGO, A SUBDIVISION OF THE EAST PART OF THE SOUTH HALF OF THE NORTHWEST QUARTER OF SECTION 5 AFORESAID AND PART OF THE WEST 15 ACRES OF THE NORTHEAST QUARTER OF THE NORTHWEST QUARTER OF SECTION 5 AFORESAID;

THENCE NORTH ALONG THE EAST LINE OF BLOCK 5 IN PACKER'S ADDITION TO CHICAGO AFORESAID TO THE INTERSECTION WITH A LINE BEING 15 FEET NORTH OF AND PARALLEL TO THE NORTH LINE OF BLOCK 5 IN PACKER'S ADDITION TO CHICAGO AFORESAID;

THENCE WEST ALONG SAID LINE BEING 15 FEET NORTH OF AND PARALLEL TO THE NORTH LINE OF BLOCK 5 IN PACKER'S ADDITION TO CHICAGO AFORESAID TO THE INTERSECTION WITH A LINE BEING 17 FEET EAST OF AND PARALLEL WITH THE EAST LINE OF BLOCK 5 IN PACKER'S THIRD ADDITION BEING A SUBDIVISION OF THAT PART LYING BETWEEN PACKER'S ADDITION AND PACKER'S SECOND ADDITION OF THE SOUTH HALF OF THE NORTHWEST QUARTER OF SECTION 5 AFORESAID;

THENCE NORTH ALONG SAID LINE BEING 17 FEET EAST OF AND PARALLEL WITH THE EAST LINE OF BLOCK 5 IN PACKER'S THIRD ADDITION AFORESAID TO THE INTERSECTION WITH A LINE BEING 25 FEET NORTH OF AND PARALLEL TO SAID BLOCK 5 IN PACKER'S THIRD ADDITION;

THENCE WEST ALONG SAID LINE BEING 25 FEET NORTH OF AND PARALLEL TO SAID BLOCK 5 IN PACKER'S THIRD ADDITION TO THE INTERSECTION WITH THE WEST LINE OF PACKERS AVENUE EXTENDED SOUTH;

THENCE NORTH ALONG SAID WEST LINE OF PACKERS AVENUE TO THE INTERSECTION WITH THE NORTH LINE OF LOT 1 IN BLOCK 1 IN SAID PACKER'S THIRD ADDITION SAID LINE ALSO BEING THE SOUTH LINE OF 41<sup>ST</sup> STREET;

THENCE WEST ALONG THE SOUTH LINE OF 41<sup>ST</sup> STREET TO THE INTERSECTION WITH A LINE BEING 50 FEET EAST OF THE WEST LINE OF THE NORTHWEST QUARTER OF SAID SECTION 5, SAID LINE ALSO BEING THE SOUTHERLY EXTENSION OF THE EAST LINE OF ASHLAND AVENUE;

THENCE NORTH ALONG SAID SOUTHERLY EXTENSION OF THE EAST LINE OF ASHLAND AVENUE TO THE NORTHWEST CORNER OF LOT 3 IN CIRCUIT COURT PARTITION OF THE NORTHWEST QUARTER OF THE NORTHWEST QUARTER OF SAID SECTION 5, ALSO BEING THE SOUTHERLY RIGHT OF WAY LINE OF THE CHICAGO RIVER AND INDIANA RAILROAD;

THENCE NORTHEASTERLY ALONG SAID SOUTHERLY RIGHT OF WAY LINE OF THE CHICAGO RIVER AND INDIANA RAILROAD TO THE INTERSECTION WITH THE SOUTHWEST CORNER OF LOT 4 IN PACKER'S FOURTH ADDITION, BEING A SUBDIVISION OF THE WEST 15 ACRES OF THE EAST HALF OF THE NORTH HALF AS CONVEYED BY CANAL DEEDS OF THE NORTHWEST QUARTER OF SECTION 5 AFORESAID;

THENCE EASTERLY ALONG THE SOUTHERLY LINE OF LOT 4 IN PACKER'S FOURTH ADDITION AFORESAID TO THE SOUTHEAST CORNER OF SAID LOT 4, ALSO BEING THE WEST LINE OF PACKERS AVENUE;

THENCE SOUTH ALONG THE WEST LINE OF PACKERS AVENUE TO THE INTERSECTION WITH A LINE BEING 4.80 FEET SOUTH OF THE NORTHEAST CORNER OF LOT 5 IN PACKER'S FOURTH ADDITION AFORESAID;

THENCE EAST ALONG A LINE BEING PERPENDICULAR TO THE EAST LINE OF SAID LOT 5 IN PACKER'S FOURTH ADDITION AFORESAID TO THE EAST LINE OF PACKERS AVENUE;

THENCE SOUTH ALONG THE EAST LINE OF PACKERS AVENUE TO A POINT BEING 615.38 FEET NORTH, AS MEASURED ALONG SAID EAST LINE, FROM THE SOUTH LINE OF THE NORTH HALF OF THE NORTHWEST QUARTER OF SAID SECTION 5;

THENCE SOUTHEASTERLY ALONG MOST SOUTHERLY SPUR TRACK OF THE PENN CENTRAL RAILROAD MORE SPECIFICALLY DESCRIBED BY THE FOLLOWING 7 CALLS;

- 1) THENCE SOUTHEASTERLY 56.08 FEET ALONG THE ARC OF A CIRCLE CONVEX NORTHEASTERLY HAVING A RADIUS OF 604.79 FEET WHOSE CHORD BEARS NORTH 73 DEGREES 31 MINUTES 28 SECONDS WEST 56.06 FEET TO A POINT;
- 2) THENCE SOUTHEASTERLY 90.06 FEET ALONG THE ARC OF A CIRCLE CONVEX NORTHEASTERLY HAVING A RADIUS OF 491.76 FEET WHOSE CHORD BEARS NORTH 65 DEGREES 18 MINUTES 16 SECONDS WEST 89.94 FEET TO A POINT;
- 3) THENCE SOUTHEASTERLY 224.68 FEET ALONG THE ARC OF A CIRCLE CONVEX NORTHEASTERLY HAVING A RADIUS OF 929.38 FEET WHOSE CHORD BEARS NORTH 53 DEGREES 07 MINUTES 56 SECONDS WEST 224.13 FEET TO A POINT;
- 4) THENCE SOUTHEASTERLY 50 DEGREES 52 MINUTES 28 SECONDS A DISTANCE OF 112.98 FEET;
- 5) THENCE SOUTHWESTERLY 103 DEGREES 43 MINUTES 36 SECONDS A DISTANCE OF 16.96 FEET;
- 6) THENCE SOUTHEASTERLY ON A CURVE HAVING A RADIUS OF 505.64 FEET CONVEX NORTHEASTERLY A DISTANCE OF 248.62 FEET;
- 7) THENCE SOUTH 99.07 FEET TO THE SOUTH LINE OF THE NORTHEAST QUARTER OF THE NORTHWEST QUARTER OF SECTION 5 AFORESAID;

THENCE EAST TO THE NORTHWEST CORNER OF BLOCK 2 IN PACKER'S ADDITION TO CHICAGO AFORESAID;

THENCE SOUTH ALONG THE WEST LINE AND ITS SOUTHERLY EXTENSION OF BLOCK 2 IN SAID PACKER'S ADDITION TO CHICAGO TO THE INTERSECTION WITH A LINE BEING 15 FEET SOUTH OF AND PARALLEL WITH SAID BLOCK 2;

THENCE EAST ALONG SAID LINE BEING 15 FEET SOUTH OF AND PARALLEL WITH THE SOUTH LINE OF BLOCK 2 IN PACKER'S ADDITION TO CHICAGO AFORESAID TO THE INTERSECTION WITH THE WEST LINE OF THE NORTHEAST QUARTER OF SAID SECTION 5;

THENCE NORTH ALONG THE WEST LINE OF THE NORTHEAST QUARTER OF SAID SECTION 5 TO THE INTERSECTION WITH A LINE BEING THE WESTERLY EXTENSION OF THE CENTERLINE OF EXCHANGE AVENUE AS SHOWN ON STOCK YARDS SUBDIVISION OF THE EAST HALF OF SECTION 5 AFORESAID AS RECORDED MARCH 14, 1903 AS DOCUMENT NO. 3362808;

THENCE EAST 1020 FEET ALONG THE CENTERLINE OF EXCHANGE AVENUE TO THE WEST LINE EXTENDED NORTH OF DONOVAN INDUSTRIAL PARK A SUBDIVISION OF PART OF LOTS 3, 4, 5, 6, 7, 8, 9 AND 10 IN THE STOCK YARDS SUBDIVISION OF THE EAST HALF OF SECTION 5 AFORESAID AS RECORDED JULY 1, 1976 AS DOCUMENT NO. 23542553;

THENCE SOUTH 952 FEET ALONG LAST SAID WEST LINE TO THE CENTERLINE OF 43<sup>RD</sup> STREET, ALSO BEING THE SOUTH LINE OF THE NORTHEAST QUARTER OF SAID SECTION 5;

THENCE EAST 320 FEET ALONG THE CENTERLINE OF 43<sup>RD</sup> STREET TO THE CENTERLINE OF MORGAN STREET AS SHOWN IN SAID DONOVAN INDUSTRIAL PARK;

THENCE NORTH 250 FEET ALONG LAST SAID CENTERLINE OF MORGAN STREET TO THE SOUTH LINE OF THE NORTH 190 FEET OF LOT 4 EXTENDED WEST OF SAID DONOVAN INDUSTRIAL PARK;

THENCE EAST 620.40 FEET ALONG LAST SAID SOUTH LINE TO THE EAST LINE OF LOT 4 OF SAID DONOVAN INDUSTRIAL PARK;

THENCE NORTH 660 FEET MORE OR LESS ALONG THE EAST LINE OF LOTS 4 AND 1 IN DONOVAN INDUSTRIAL PARK AFORESAID TO THE CENTERLINE OF EXCHANGE AVENUE;

THENCE EAST 710 FEET ALONG THE CENTERLINE OF EXCHANGE AVENUE TO THE EAST LINE OF SAID SECTION 5;

THENCE SOUTH ALONG LAST SAID EAST LINE OF SECTION 5 TO THE SOUTHEAST CORNER OF SECTION 5 BEING THE PLACE OF BEGINNING, ALL IN LAKE TOWNSHIP, COOK COUNTY, ILLINOIS.

## Section IV. Redevelopment Project Area Goals and Objectives

### General Goals

*No change.*

### Redevelopment Objectives

*Add the following additional bulleted point:*

- Reduce or eliminate those conditions that qualify the Redevelopment Project Area as a conservation and/or blighted area. These conditions are described in detail in the Eligibility Report included in the Original Plan for the Original Area and in **Attachment 1 – Added Area Eligibility Study**, for the Added Area.

### Development and Design Objectives

*Add the following additional bulleted point:*

- Encourage use of renewable energy sources and energy efficient design alternatives.

## **Section V. Blighted Area Conditions Existing in the Redevelopment Project Area**

*Delete the current heading and replace it with the following:*

### **Basis for the Eligibility of the Redevelopment Project Area**

*Insert the following sub-heading:*

#### **A. Basis for Eligibility of the Original Area and Findings**

*Delete the first sentence of the first paragraph and replace it with the following sentence:*

Based upon surveys, inspections, research and analysis of the Original Area by Louik/Schneider & Associates, Inc. the Original Project Area qualifies as a blighted area as defined by the Act.

*In the second sentence, replace the word "Redevelopment" with the following:*

Original

*In the third sentence, add the following word before the phrase "Eligibility Report":*

Original

*Add the following footnote to the first bullet point:*

Since the designation of the Original Plan in 1992, the Act has been amended to exclude *depreciation of physical maintenance* as a qualifying factor, thereby reducing the number of qualifying factors to 13 for a blighted area under the Act. However, as the Original Eligibility Report found a total of 11 factors present, the qualification of the Original Area is unchallenged.

*In the final paragraph of the section, replace the word "Redevelopment" with the following:*

Original

*Replace the phrase "this Redevelopment Plan" at the end of the final sentence with the following:*

The Original Plan.

*Add the following new section:*

#### **B. Basis for Eligibility of the Added Area and Findings**

In determining whether the Added Area meets the eligibility requirements of the Act, the same general methods of research were used, along with the field survey, as were used to qualify the Original Area. Changes in the Act since the Original Area was qualified have

occurred. The Act sets forth 13 separate factors that are to be used to determine if an improved area qualifies as a “conservation area” and 10 separate factors (in two tiers) to consider if a vacant area qualifies as a “blighted area”. An area may be qualified as a combination conservation/blighted area. Additionally, for qualification under the Act as a conservation area, 50% or more of the structures in an area must have an age of 35 years or more.

For a conservation area, a combination of 3 or more of the 13 factors must be found to exist such that although the area is not yet a blighted area, it is detrimental to the public safety, health, morals or welfare and may become a blighted area. For a vacant blighted area, 2 Tier One factors or 1 Tier Two factor must be present in the vacant portion of the area. **Attachment 1 – Added Area Eligibility Study** provides detail on the Act’s qualification requirements for conservation and/or blighted areas.

It was determined in the investigation and analysis of conditions in the Added Area that the Added Area qualifies as a combination conservation/blighted area under the Act.

As noted, 69% of structures in the improved portions of the Added Area are 35 years of age or older. Having met the age criteria requirement, the improved portions of the Added Area qualify as a conservation area due to the following four conditions:

- Obsolescence (50% or 8 buildings);
- Deterioration as found in deteriorated buildings (75% or 12 buildings), deteriorated site improvements (89% or 25 parcels), and deteriorated street and/or sidewalk pavement (100% of the added area);
- Excessive Vacancy (51% of building square footage); and
- Declining and subpar EAV growth.

The vacant portion of the Added Area consists of 4.4 acres (10% of Added land area), located on 4 parcels. The vacant land is characterized by the following statutory qualifying factors for a “blighted area” under Section 5/11-74.4-3(b) of the Act:

- Obsolete platting (75% or 3 parcels)
- Deterioration of structures or site improvements in neighboring areas (100% or 4 vacant parcels).

It can be reasonably concluded that the Added Area (i) has not been subject to growth through investment by private enterprise, and (ii) would not reasonably be anticipated to be developed without the adoption of the Redevelopment Plan. Qualification factors for both the improved and vacant portions of the Added Area are discussed in further detail in **Attachment 1 – Added Area Eligibility Study**.

## **Section VI. Stockyards Southeast Quadrant Industrial Redevelopment Project**

### **A. Redevelopment Plan**

*Delete the last sentence in the first paragraph and replace the remainder of the section with the following:*

The Original Plan proposed redevelopment by the Back of the Yards Neighborhood Council (BYNC) that was to stimulate industrial development by the private sector in the Original Area. They proposed the removal of 11 multistoried vacant and uninhabited storage buildings which were built at the turn of the twentieth century. The buildings were in a blighted state of repair and could not be rehabilitated. The buildings were without heat and electricity and were lacking windows, doors and operating systems. Numerous private and public improvements were necessary.

The Redevelopment Agreement provided for the City to provide funding for necessary soil and site improvements and called for the City to issue bonds to be repaid from the increment from the entire Original Area. Developers were required to undertake the responsibility for the required soil and site improvements and were further required to build any necessary ancillary improvements required for the project.

Progress has been made toward achieving the goals set forth in the Plan, including but not limited to infrastructure improvements, environmental remediation, and land assembly to facilitate private development since the establishment of the Stockyards Southeast Quadrant Industrial TIF. The improvements that have been made within the Original Area, while proven transformative in the Original Area, have failed to spur private development in the Added Area. With the exception of a newer industrial facility, the buildings and site improvements within the Added Area are in need of major upgrades and the vacant areas have been subjected to fly dumping. The Added Area as a whole will require major infrastructure improvements.

### **B. General Land Use Plan**

*Replace this section with the following:*

The Land-Use Plan that was approved as a part of the Original Plan, which called for Industrial Uses and some Commercial Uses, shall remain in effect for the Original Project Area with the exception of 4 parcels on Halsted Avenue between 45<sup>th</sup> Street and 47<sup>th</sup> Street as well as a parcel on the corner of South Halsted Avenue and West Exchange Avenue which will now allow for Mixed Use-Commercial/Industrial Development.

The Added Area shall have Industrial Uses for the entire site with the exception of a parcel located on the east side of South Packers Avenue between 42<sup>nd</sup> Place and 42<sup>nd</sup> Street which shall allow for Mixed Use-Commercial/Industrial Development.

The **General Land-Use Plan** for the Redevelopment Project Area is in **Exhibit C**.

### **C. Estimated Redevelopment Project Costs**

*Section V. D of the Original Plan entitled, Estimated Redevelopment Project Costs shall be entitled as follows:*

#### **Redevelopment Project Costs**

*The entire section shall be replaced in its entirety inclusive of **Table 1** with the following:*

Tax increment financing is an economic development tool designed to facilitate the development of blighted areas and to arrest decline in areas that may become blighted without public intervention. It is expected that tax increment financing will be an important tool, but not the only one, of financing improvements and providing development incentives in the Project Area throughout the life of the TIF.

Tax increment financing can only be used when private investment would not reasonably be expected to occur without public assistance. The Act sets forth the range of public assistance that may be provided.

It is anticipated that expenditures for redevelopment project costs will be carefully staged in a reasonable and proportional basis to coincide with expenditures for redevelopment by private developers and the projected availability of tax increment revenues.

The various redevelopment expenditures that are eligible for payment or reimbursement under the Act are reviewed below. Following this review is a list of estimated redevelopment project costs that are deemed to be necessary to implement this Plan (the "Redevelopment Project Costs").

In the event the Act is amended after the date of the approval of this Plan by the City Council of the City of Chicago to (a) include new eligible redevelopment project costs, or (b) expand the scope or increase the amount of existing eligible redevelopment project costs (such as, for example, by increasing the amount of incurred interest costs that may be paid under 65 ILCS 5/11-74.4-3(q)(11)), this Plan shall be deemed to incorporate such additional, expanded or increased eligible costs as Redevelopment Project Costs under the Plan, to the extent permitted by the Act. In the event of such amendment(s) to the Act, the City may add any new eligible redevelopment project costs as a line item in **Table 1** or otherwise adjust the line items in **Table 1** without amendment to this Plan, to the extent permitted by the Act. In no instance, however, shall such additions or adjustments result in any increase in the total Redevelopment Project Costs without a further amendment to this Plan.

### **Eligible Redevelopment Project Costs**

Redevelopment project costs include the sum total of all reasonable or necessary costs incurred, estimated to be incurred, or incidental to this Plan pursuant the Act. Such costs may include, without limitation, the following:

1. Costs of studies and surveys, development of plans and specifications, implementation and administration of the Plan including, but not limited to, staff and professional service costs for architectural, engineering, legal, financial, planning or other services (excluding lobbying expenses), provided that no charges for professional services are based on a percentage of the tax increment collected;
2. The cost of marketing sites within the Redevelopment Project Area to prospective businesses, developers and investors;
3. Property assembly costs, including, but not limited to, acquisition of land and other property, real or personal, or rights or interests therein, demolition of buildings, site preparation, site improvements that serve as an engineered barrier addressing ground level or below ground environmental contamination, including, but not limited to parking lots and other concrete or asphalt barriers, and the clearing and grading of land;
4. Costs of rehabilitation, reconstruction, repair or remodeling of existing public or private buildings, fixtures and leasehold improvements; and the cost of replacing an existing public building, if pursuant to the implementation of a redevelopment project, the existing public building is to be demolished to use the site for private investment or devoted to a different use requiring private investment;
5. Costs of the construction of public works or improvements subject to the limitations in Section 11-74.4-3(q)(4) of the Act;
6. Costs of job training and retraining projects including the cost of "welfare-to-work" programs implemented by businesses located within the Redevelopment Project Area and such proposals featuring a community-based training program which ensures maximum reasonable employment opportunities for those who reside near the Redevelopment Project Area with particular attention to the needs of those who have previously experienced inadequate opportunities and development of job-related skills, including residents of public and other subsidized housing and people with disabilities.
7. Financing costs, including, but not limited to, all necessary and incidental expenses related to the issuance of obligations and which may include payment of interest on any obligations issued thereunder, including interest accruing during the estimated period of construction of any redevelopment project for which such obligations are issued and for a period not exceeding 36 months following completion and including reasonable reserves related thereto;

8. To the extent the City by written agreement accepts and approves the same, all or a portion of a taxing district's capital costs resulting from the redevelopment project necessarily incurred or to be incurred within a taxing district in furtherance of the objectives of the Plan.
9. Relocation costs to the extent that the City determines that relocation costs shall be paid or is required to make payment of relocation costs by federal or state law or by Section 74.4-3(n)(7) of the Act (see "Relocation" section);
10. Payment in lieu of taxes, as defined in the Act;
11. Costs of job training, retraining, advanced vocational education or career education, including but not limited to, courses in occupational, semi-technical or technical fields leading directly to employment, incurred by one (1) or more taxing districts, provided that such costs: (i) are related to the establishment and maintenance of additional job training, advanced vocational education or career education programs for persons employed or to be employed by employers located in the Project Area; and (ii) when incurred by a taxing district or taxing districts other than the City, are set forth in a written agreement by or among the City and the taxing district or taxing districts, which agreement describes the program to be undertaken, including but not limited to, the number of employees to be trained, a description of the training and services to be provided, the number and type of positions available or to be available, itemized costs of the program and sources of funds to pay for the same, and the term of the agreement. Such costs include, specifically, the payment by community college districts of costs pursuant to Sections 3-37, 3-38, 3-40, and 3-40.1 of the Public Community College Act, 110 ILCS 805/3-37, 805/3-38, 805/3-40 and 805/3-40.1, and by school districts of costs pursuant to Sections 10-22.20a and 10-23.3a of the School Code, 105 ILCS 5/10-22.20a and 5/10-23.3a.
12. Interest costs incurred by a redeveloper related to the construction, renovation or rehabilitation of a redevelopment project provided that:
  - such costs are to be paid directly from the special tax allocation fund established pursuant to the Act;
  - such payments in any one (1) year may not exceed 30% of the annual interest costs incurred by the redeveloper with regard to the redevelopment project during that year;
  - if there are not sufficient funds available in the special tax allocation fund to make the payment pursuant to this provision, then the amounts so due shall accrue and be payable when sufficient funds are available in the special tax allocation fund;
  - the total of such interest payments paid pursuant to the Act may not exceed 30% of the total: (i) cost paid or incurred by the redeveloper for such redevelopment project; (ii) redevelopment project costs excluding any property assembly costs and any relocation costs incurred by the City pursuant to the Act; and
  - up to 75% of the interest cost incurred by a redeveloper for the financing of rehabilitated or new housing for low-income households and very low-income households, as defined in Section 3 of the Illinois Affordable Housing Act.

13. Unless specifically authorized by the Act, the cost of construction of new privately-owned buildings shall not be an eligible redevelopment project cost,
14. An elementary, secondary or unit school district's increased costs attributable to assisted housing units will be reimbursed as provided in the Act;
15. Instead of the eligible costs provided for in (12) above, the City may pay up to 50% of the cost of construction, renovation and/or rehabilitation of all low-income and very low-income housing units (for ownership or rental) as defined in Section 3 of the Illinois Affordable Housing Act. If the units are part of a residential redevelopment project that includes units not affordable to low-income and very low-income households, only the low- and very low-income households shall be eligible for benefits under the Act; and
16. The costs of day care services for children of employees from low-income families working for businesses located within the Redevelopment Project Area and all or a portion of the cost of operation of day care centers established by Project Area businesses to serve employees from low-income families working in businesses located in the Redevelopment Project Area. For the purposes of this paragraph, "low-income families" means families whose annual income does not exceed 80% of the City, county or regional median income as determined from time to time by the United States Department of Housing and Urban Development.
17. Unless explicitly provided in the Act, the cost of construction of new privately-owned buildings shall not be an eligible redevelopment project cost.
18. If a special service area has been established pursuant to the Special Service Area Tax Act, 35 ILCS 235/0.01 *et seq.*, then any tax increment revenues derived from the tax imposed pursuant to the Special Service Area Tax Act may be used within the Project Area for the purposes permitted by the Special Service Area Tax Act as well as the purposes permitted by the Act.

### Estimated Project Costs

A range of activities and improvements may be required to implement the Plan. The proposed eligible activities and their estimated costs over the life of the Project Area are briefly described below and shown in **Table 1 -- Estimated Redevelopment Project Costs**.

1. Professional services including planning studies, legal, surveys, real estate marketing costs, fees and other costs related to the implementation and administration of the Plan. This budget element provides for studies and survey costs for planning and implementation of the project, including planning and legal fees, architectural and engineering, development site marketing, financial and special service costs. (*Estimated cost: \$1,000,000*)
2. Property assembly costs, including, but not limited to, acquisition of land and other property, real or personal, or rights or interests therein, and other appropriate and eligible

costs needed to prepare the property for redevelopment. These costs may include the reimbursement of acquisition costs incurred by the City and private developers. Land acquisition may include acquisition of both improved and vacant property in order to create development sites, accommodate public rights-of-way or to provide other public facilities needed to achieve the goals and objectives of the Plan. Property assembly costs also include: demolition of existing improvements, including clearance of blighted properties or clearance required to prepare sites for new development, site preparation, including grading, and other appropriate and eligible site activities needed to facilitate new construction, and environmental remediation costs associated with property assembly which are required to render the property suitable for redevelopment. *(Estimated cost: \$29,000,000)*

3. Costs of Rehabilitation, reconstruction, repair or remodeling of existing public or private buildings and fixtures; and up to 50% of the cost of construction of low-income and very low-income housing units. *(Estimated cost: \$18,000,000)*
4. Costs of Construction of public improvements, infrastructure and facilities. These improvements are intended to improve access within the Project Area, stimulate private investment and address other identified public improvement needs, and may include all or a portion of a taxing district's eligible costs, including increased costs of the Board of Education attributable to assisted housing units within the Project Area in accordance with the requirements of the Act. *(Estimated cost: \$8,000,000)*
5. Relocation costs. *(Estimated cost: \$1,000,000)*
6. Job Training, Re-training, and Welfare-to-Work Programs. *(Estimated cost: \$3,000,000)*
7. Interest costs related to redevelopment projects, pursuant to the provisions of the Act. *(Estimated cost: \$1,500,000)*
8. Provision of day care services as provided in the Act. *(Estimated cost: \$500,000)*

The estimated total of all eligible project costs over the life of the Redevelopment Project Area is approximately \$62,000,000. All project cost estimates are in 2017 dollars. Any bonds or other tax increment allocation revenue obligations issued to finance portions of the Redevelopment Project may include an amount of proceeds sufficient to pay customary and reasonable charges associated with issuance of such obligations, as well as to provide for capitalized interest and reasonably required reserves. The total project cost figure excludes any costs for the issuance of bonds. Adjustments to estimated line items, which are upper estimates for these costs, are expected and may be made without amendment to the Plan.

Additional funding from other sources such as federal, state, county, or local grant funds may be utilized to supplement the City's ability to finance Redevelopment Project Costs identified above.

**TABLE 1**  
**Estimated Redevelopment Project Costs**

<u>Activity</u>	<u>Cost</u>
1. Analysis, Administration, Studies, Legal, Marketing, etc.	\$ 1,000,000
2. Property Assembly, including Acquisition, Site Prep and Demolition, and Environmental Remediation.	\$ 29,000,000
3. Rehabilitation of Existing Buildings, Fixtures and Leasehold Improvements, affordable housing and Rehabilitation costs	\$ 18,000,000
4. Public Works & Improvements including Streets and Utilities, Parks and Open Space, and Public Facilities and Other Public Buildings <sup>1</sup>	\$ 8,000,000
5. Relocation Costs	\$ 1,000,000
6. Job Training, Retraining, & Welfare to Work	\$ 3,000,000
7. Interest Subsidy	\$ 1,500,000
8. Day Care Services	\$ 500,000
<b>Total Redevelopment Project Costs<sup>2,3</sup></b>	<b>\$ 62,000,000<sup>4</sup></b>

<sup>1</sup>This category may also include paying for or reimbursing (i) an elementary, secondary or unit school district's increased costs attributed to assisted housing units, and (ii) capital costs of taxing districts impacted by the redevelopment of the Project Area. As permitted by the Act, to the extent the City by written agreement accepts and approves the same, the City may pay, or reimburse all or a portion of a taxing district's capital costs resulting from a redevelopment project necessarily incurred or to be incurred within a taxing district in furtherance of the objectives of this Redevelopment Plan.

<sup>2</sup>The Total Estimated Redevelopment Project Costs represents an upper limit on expenditures that are to be funded using tax increment revenues and exclude any additional financing costs, including any interest expense, capitalized interest and costs associated with optional redemptions. These costs are subject to prevailing market conditions and are in addition to Total Redevelopment Project Costs. Within this limit, adjustments may be made in line items without amendment to this Redevelopment Plan, to the extent permitted by the Act.

<sup>3</sup>The amount of the Total Redevelopment Project Costs that can be incurred in the Redevelopment Project Area will be reduced by the amount of redevelopment project costs incurred in contiguous redevelopment project areas, or those separated from the Redevelopment Project Area only by a public right-of-way, that are permitted under the Act to be paid, and are paid, from incremental property taxes generated in the Redevelopment Project Area, but will not be reduced by the amount of redevelopment project costs incurred in the Redevelopment Project Area which are paid from incremental property taxes generated in contiguous redevelopment project areas or those separated from the Redevelopment Project Area only by a public right-of-way.

<sup>4</sup>All costs are in 2017 dollars and may be increased by five percent (5%) after adjusting for inflation reflected in the Consumer Price Index for All Urban Consumers for All Items for the Chicago-Gary-Kenosha, IL-IN-WI\_ CMSA as published by the U.S. Department of Labor, or some similar index.

Additional funding from other sources such as federal, state, county, or local grant funds may be utilized to supplement the City's ability to finance Redevelopment Project Costs identified above.

#### **D. Sources of Funds**

*Section V. E of the Original Plan entitled, Sources of Funds to Pay Redevelopment Project Costs shall be replaced in its entirety with the following:*

Funds necessary to pay for Redevelopment Project Costs and secure municipal obligations issued for such costs are to be derived primarily from Incremental Property Taxes. Other sources of funds which may be used to pay for Redevelopment Project Costs or secure municipal obligations are land disposition proceeds, state and federal grants, investment income, private financing and other legally permissible funds the City may deem appropriate. The City may incur redevelopment project costs which are paid for from funds of the City other than incremental taxes, and the City may then be reimbursed from such costs from incremental taxes. Also, the City may permit the utilization of guarantees, deposits and other forms of security made available by private sector developers. Additionally, the City may utilize revenues, other than State sales tax increment revenues, received under the Act from one redevelopment project area for eligible costs in another redevelopment project area that is either contiguous to, or is separated only by a public right-of-way from, the redevelopment project area from which revenue is received.

The Redevelopment Project Area is contiguous to several TIFs as illustrated in **Exhibit F Adjacent TIF / Redevelopment Areas**. These adjacent TIF Districts include: The 47<sup>th</sup>/Ashland TIF, 47<sup>th</sup>/Halsted TIF and The Stockyards Annex TIF. The Stockyard Southeast Quadrant Industrial TIF may, in the future, be contiguous to or separated only by a public right of way from, other redevelopment project areas created under the Act.

The Area may become contiguous to, or be separated only by a public-right-of-way from, redevelopment project areas created under the Industrial Jobs Recovery Law (65 ILCS 5/11-74.61-1, et seq.). If the City finds that the goals, objectives, and financial success of such contiguous redevelopment project areas, or those separated only by a public right-of-way, are interdependent with those of the Area, the City may determine that it is in the best interests of the City and in furtherance of the purposes of the Plan that net revenues from the Area be made available to support any such redevelopment project areas, and vice versa. The City therefore proposes to utilize net incremental revenues received from the Redevelopment Project Area to pay eligible Redevelopment Project Costs (which are eligible under the Industrial Jobs Recovery Law referred to above) in any such areas, and vice versa. Such revenues may be transferred or loaned between the Redevelopment Project Area and such areas. The amount of revenue from the Redevelopment Project Area so made available, when added to all amounts used to pay eligible Redevelopment Project Costs within the Redevelopment Project Area or other areas as described in the preceding paragraph, shall not at any time exceed the total Redevelopment Project Costs described in **Table 1** of this Plan.

### The Issuance of Obligations

The City may issue obligations secured by Incremental Property Taxes pursuant to Section 11-74.4-7 of the Act. To enhance the security of a municipal obligation, the City may pledge its full faith and credit through the issuance of general obligation bonds. Additionally, the City may provide other legally permissible credit enhancements to any obligations issued pursuant to the Act.

The redevelopment project shall be completed, and all obligations issued to finance redevelopment costs shall be retired, no later than December 31 of the year in which the payment to the City treasurer as provided in the Act is to be made with respect to ad valorem taxes levied in the thirty fifth calendar year following the year in which the ordinance approving the Redevelopment Area is adopted (by December 31, 2028). Also the final maturity date of any such obligations which are issued may not be later than 20 years from their respective dates of issue. One or more series of obligations may be sold at one or more times in order to implement this Plan. Obligations may be issued on a parity or subordinated basis.

In addition to paying Redevelopment Project Costs, Incremental Property Taxes may be used for the scheduled retirement of obligations, mandatory or optional redemptions, establishment of debt service reserves and bond sinking funds. To the extent that Incremental Property Taxes are not needed for these purposes, and are not otherwise required, pledged, earmarked or otherwise designated for the payment of Redevelopment Project Costs, any excess Incremental Property Taxes shall then become available for distribution annually to taxing districts having jurisdiction over the Redevelopment Project Area in the manner provided by the Act.

*Most Recent Equalized Assessed Valuation of Properties deleted and replaced with the following:*

### The Initial Equalized Assessed Valuation of Properties

The purpose of identifying the most recent Equalized Assessed Valuation (EAV) of a Redevelopment Project Area is to provide an estimate of the initial EAV which the Cook County Clerk will certify for the purpose of annually calculating the incremental EAV and incremental property taxes of the Redevelopment Project Area. The Certified initial EAV for the Original Project Area is \$21,527,824 based on the 1990 EAV (**Attachment 2 – Corrected Certificate of Initial Equalized Assessed Valuation**). The EAV of all taxable parcels in the Added Area is estimated to be \$5,616,093 (**Attachment 2 – Parcel EAV Listing**), resulting in a combined estimated EAV for the Redevelopment Project Area of \$27,143,917.

The EAV is subject to verification by the Cook County Clerk. After verification, the final figure shall be certified by the Cook County Clerk, and shall become the Certified Initial EAV

from which all incremental property taxes in the Added Area will be calculated by Cook County. If the 2016 EAV shall become available prior to the date of the adoption of the Plan by the City Council, the City may update the Plan by replacing the 2015 EAV with the 2016 EAV without further City Council action.

**Anticipated Equalized Assessed Valuation**

By the tax year 2028 (collection year 2029), based on current assessment trends and redevelopment activity observed and anticipated in the Redevelopment Project Area, the EAV of the Redevelopment Project Area is estimated to be approximately \$56 million. These estimates are calculated using information obtained on recent trends in Cook County assessments, State of Illinois equalization factors, City of Chicago property tax rates, and an estimated annual inflation rate in EAV of 1.5%. Field observations contributed support for these EAV projections.

## **VII. Commitment to Fair Employment Practices and Affirmative Action Plan**

The City is committed to and will affirmatively implement the following principles with respect to this Plan:

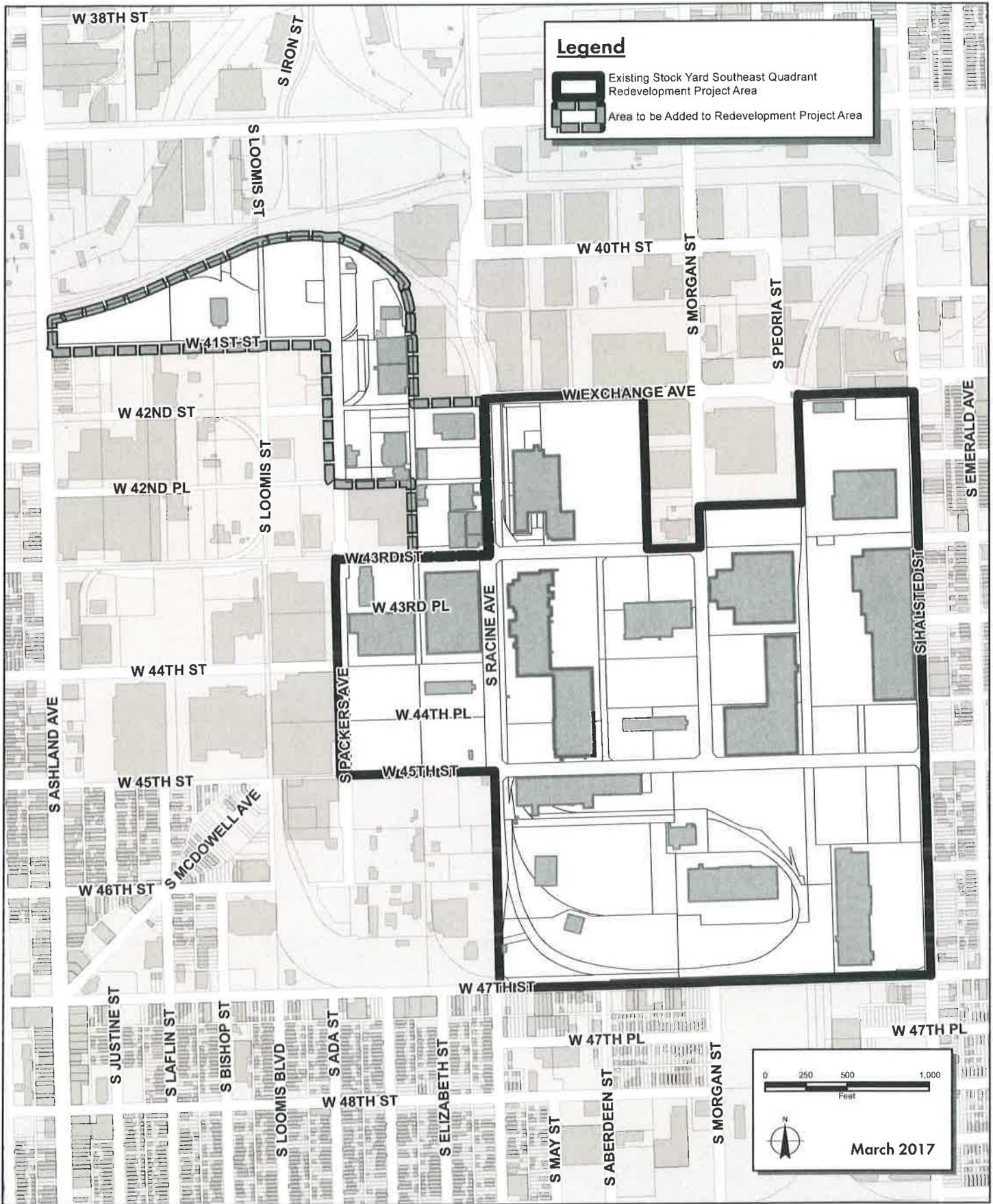
1. The assurance of equal opportunity in all personnel and employment actions with respect to the Redevelopment Project, including but not limited to hiring, training, transfer, promotion, discipline, fringe benefits, salary, employment working conditions, termination, etc., without regard to race, color, religion, sex, age, disability, national origin, ancestry, sexual orientation, marital status, parental status, military discharge status, source of income, or housing status.
2. Redevelopers must meet City of Chicago standards for participation of the currently required percentage of Minority-owned Business Enterprises and Woman-owned Business Enterprises and the City Resident Construction Worker Employment Requirement as required in redevelopment agreements.
3. This commitment to affirmative action and nondiscrimination will ensure that all members of the protected groups are sought out to compete for all job openings and promotional opportunities.
4. Redevelopers will meet City standards for any applicable prevailing wage rate as ascertained by the Illinois Department of Labor to all project employees.

The City shall have the right in its sole discretion to exempt certain small businesses, residential property owners and developers from the above.

### **Provision for Amending Action**

*No changes.*

# Plan Appendix



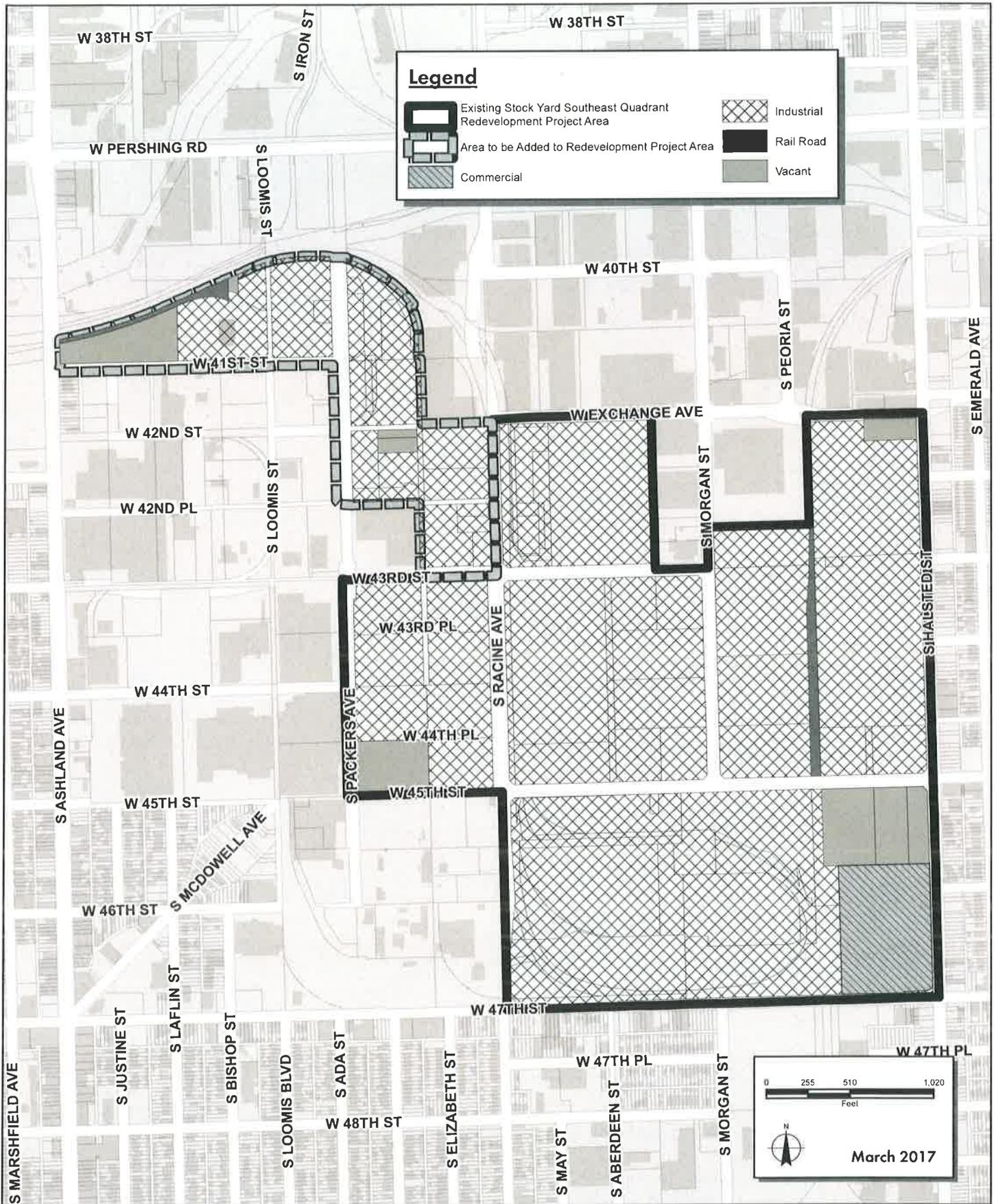
**Exhibit A - Boundary Map**

Chicago Stockyards Redevelopment Project Area Amendment  
 City of Chicago, Illinois



Geospatial & Survey Enterprises, Inc.  
 100 North LaSalle Street, Suite 1110 • Chicago, Illinois 60602





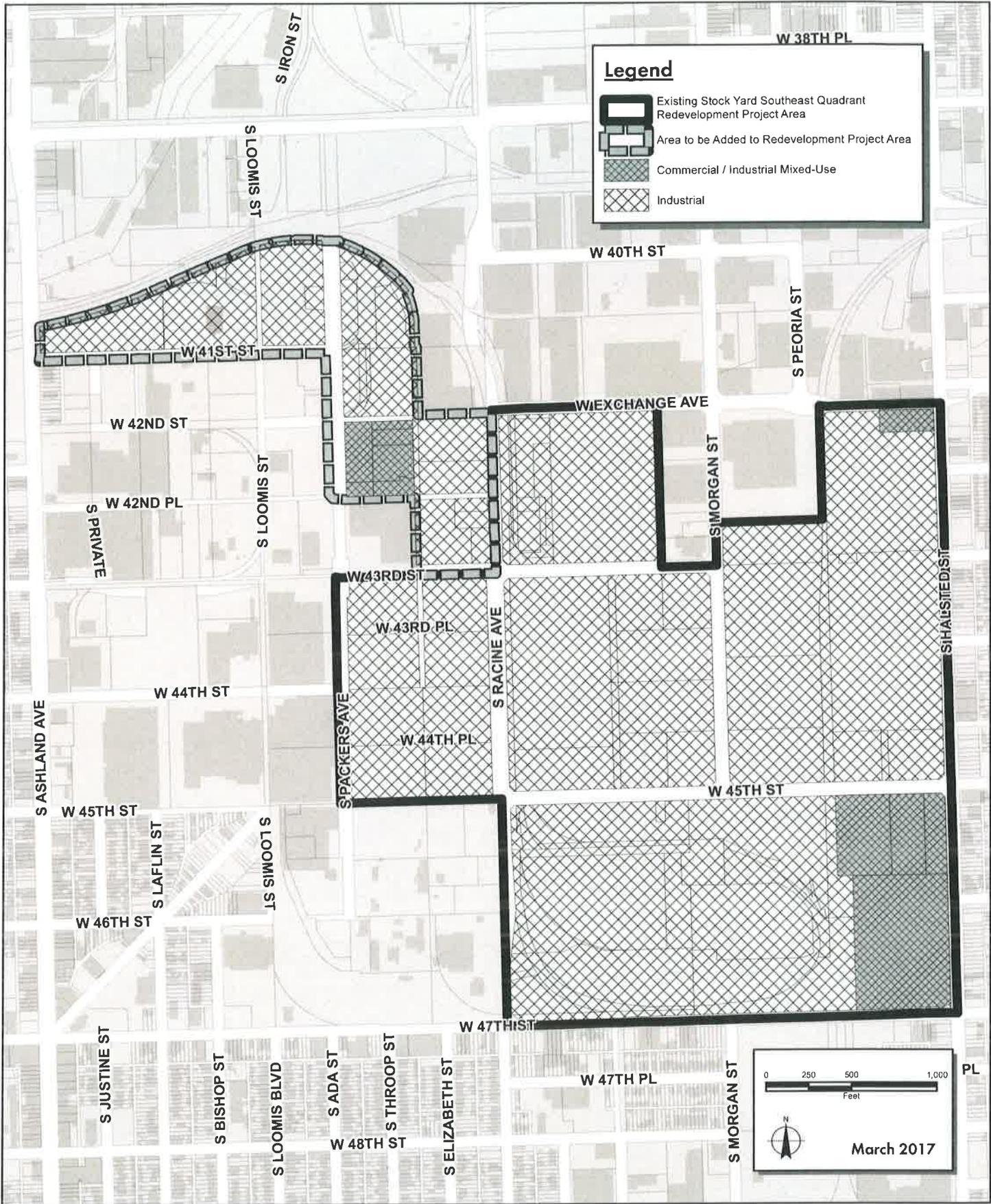
**Exhibit B - Existing Land Use**

Chicago Stockyards Redevelopment Project Area Amendment  
City of Chicago, Illinois



Grant R. Sanger Enterprises, Inc.  
100 North LaSalle Street, Suite 1810 • Chicago, Illinois 60602





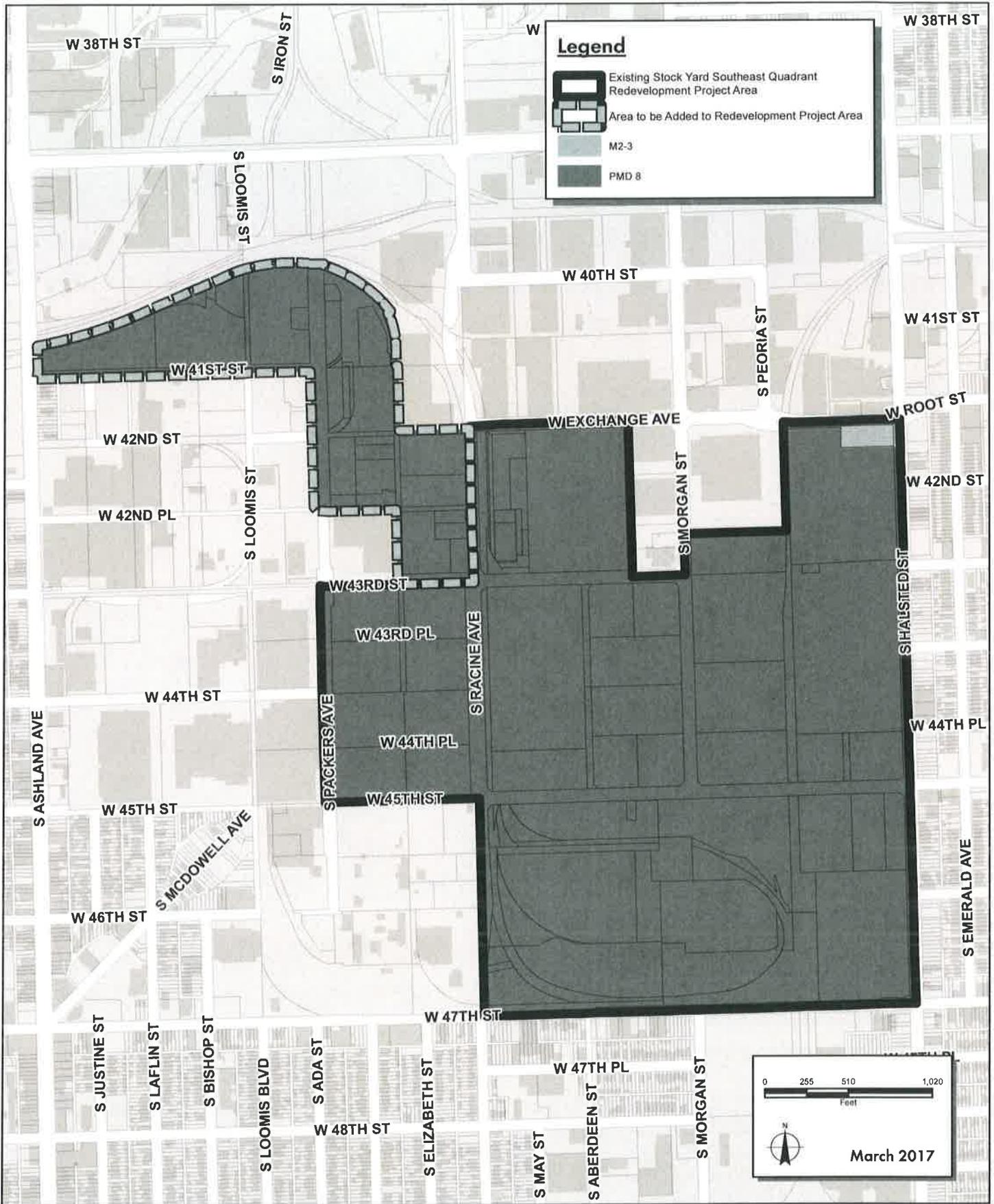
**Exhibit C - General Land Use Plan**

Chicago Stockyards Redevelopment Project Area Amendment  
 City of Chicago, Illinois



CGA  
 General R. Stanger Enterprises, Inc.  
 100 North LaSalle Street, Suite 1010 • Chicago, Illinois 60602





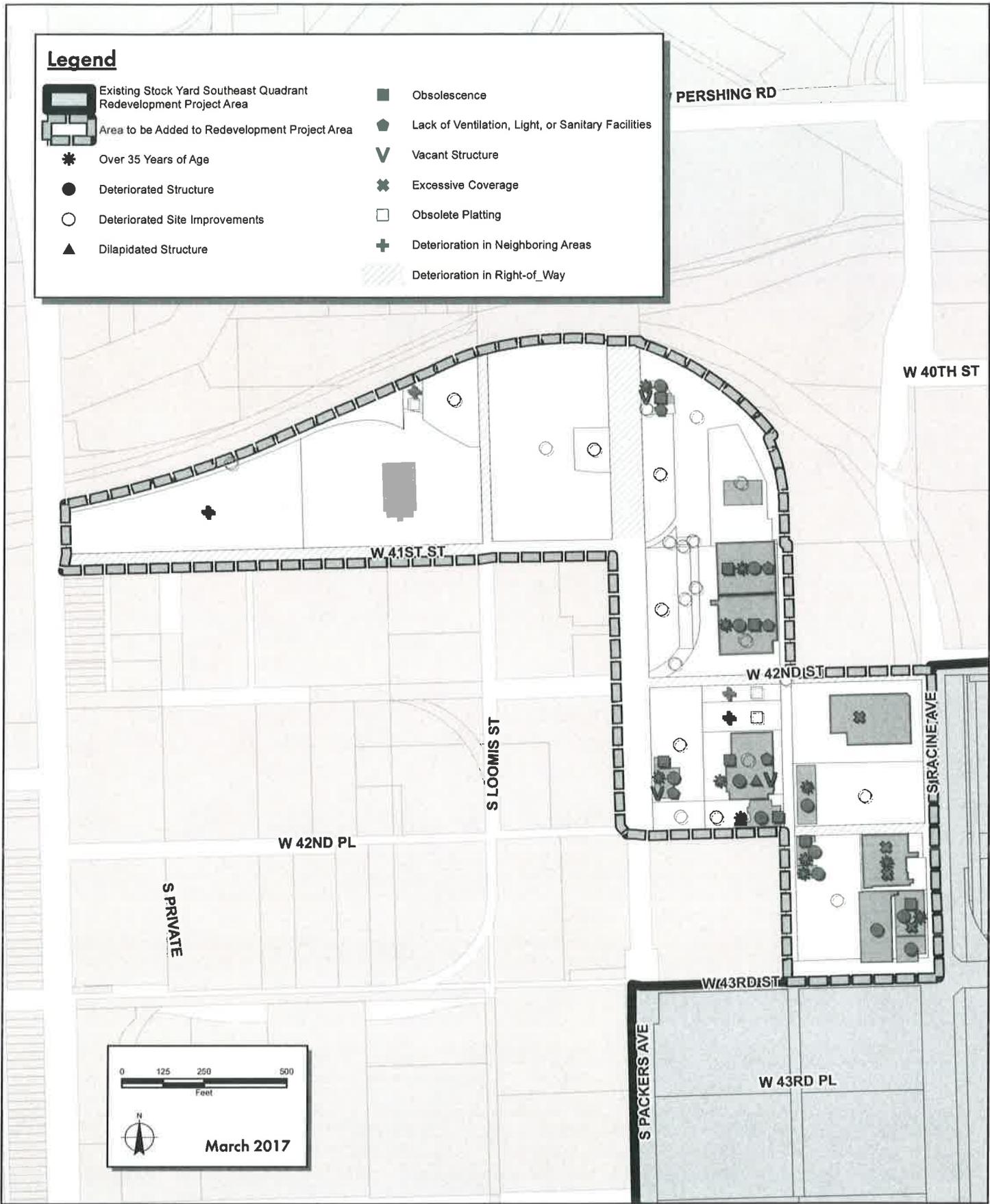
**Exhibit D - Existing Zoning**

Chicago Stockyards Redevelopment Project Area Amendment  
 City of Chicago, Illinois



Seventy Six, Planner Enterprises, Inc.  
 120 North LaSalle Street, Suite 1515 • Chicago, Illinois 60602





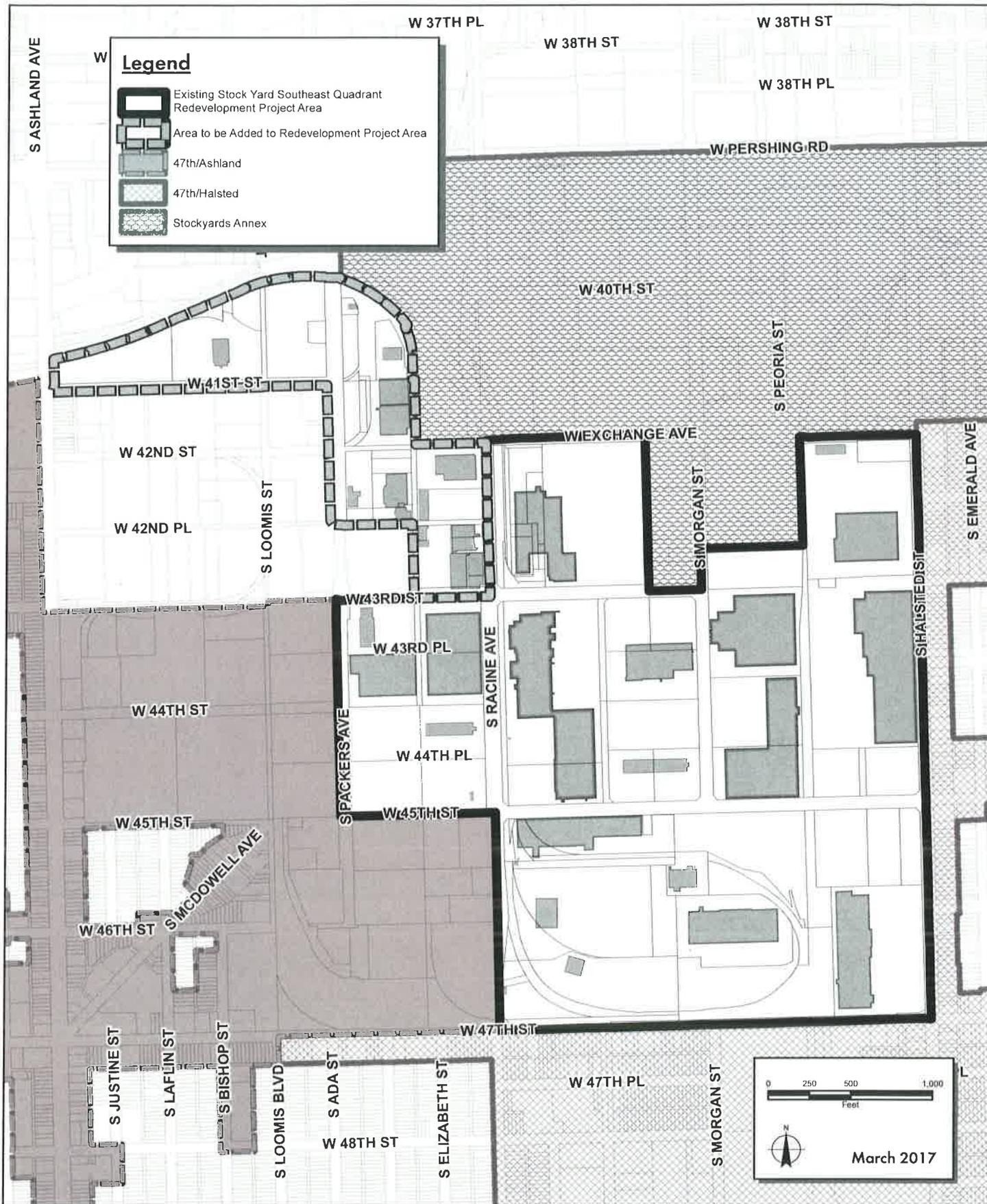
**Exhibit E - Existing Conditions**

Chicago Stockyards Redevelopment Project Area Amendment  
 City of Chicago, Illinois



City of Chicago  
 Council on Economic Development, Inc.  
 100 North LaSalle Street, Suite 1515 • Chicago, Illinois 60602





**Exhibit F - Adjacent TIF / Redevelopment Areas**

Chicago Stockyards Redevelopment Project Area Amendment  
 City of Chicago, Illinois



Ernest R. Sanger Enterprises, Inc.  
 100 North LaSalle Street, Suite 1515 • Chicago, Illinois 60602



# **Attachments**

The Stockyards Southeast Quadrant Industrial  
Tax Increment Financing  
Eligibility Study  
Attachment 1

February 26, 1992  
Amendment No. 1 as of September 14, 1994  
Amendment No. 2 as of January 10, 1996  
Amendment No. 3 as of March 19, 1997  
Amendment No. 4 as of July 30, 2014  
Amendment No. 5 as of November 1, 2016

**Amendment No. 6**  
**June 2, 2017**

City of Chicago  
Rahm Emanuel, Mayor

Department of Planning and Development  
David L. Reifman, Commissioner

## INTRODUCTION

On February 26, 1992, the City Council of the City of Chicago (the "City") adopted ordinances approving the Stockyards Southeast Quadrant Industrial Redevelopment Area Tax Increment Finance Program Redevelopment Plan, as amended most recently by an ordinance adopted on November 1, 2016 (the "Original Plan") and designating the Stockyards Southeast Quadrant Industrial Redevelopment Project Area (the "Project Area").

Ernest R. Sawyer Enterprises ("**ERS**") and PGAV Planners or collectively, the "**Consultants**," have been engaged to determine whether approximately 43.9 acres of land located on the south side of Chicago qualifies for designation as a redevelopment project area based on findings for a "**conservation area**," and/or a "**blighted area**" within the requirements set forth in the Tax Increment Allocation Redevelopment Act (the "**Act**"). The Act is found in Illinois Compiled Statutes, Chapter 65, Act 5, Section 11-74.4-1 *et. seq.* as amended. The boundaries of the Original Area have been expanded to include the Added Area which is generally bounded by West Transit Avenue and the Norfolk Southern railroad tracks on the north; 43<sup>rd</sup> Street on the south; loosely by Racine Avenue on the east and Ashland Avenue and Packers Avenue on the west (hereafter referred to as the "**Added Area**"). The eligibility findings for the Added Area are documented and summarized in this report entitled, the *Stockyards Southeast Quadrant Industrial Tax Increment Financing Redevelopment Project Area*. The boundaries of the Added Area are shown on **Plan Appendix, Exhibit A – Boundary Map**.

The findings and conclusions presented in this report are based on surveys, documentation, and analyses of properties and conditions related to the Added Area as conducted by the Consultants. The Eligibility Study summarizes the analyses and findings of the Consultants' work, which is the responsibility of ERS and PGAV. The City is entitled to rely on the findings and conclusions of this Eligibility Study and based on the criteria set forth in the Act, the improved portion of the Added Area was determined to qualify as a conservation area, and the vacant portion of the Added Area was determined to qualify as a blighted area. The Consultants have prepared this Eligibility Study and the related Amendment No. 6 to the Redevelopment Project and Plan with the understanding that the City would rely on (i) the findings and conclusions of this Eligibility Study and the related Amended Redevelopment Plan, and (ii) the fact that the Consultants have obtained the necessary information so that the Eligibility Study and related Amended Redevelopment Plan will comply with the Act. The determination of whether the Added Area qualifies for designation as a redevelopment project area based on findings of the area as a conservation area, pursuant to the Act is made by the City of Chicago after careful review and consideration of the conclusions contained in this Eligibility Study.

Following this introduction, Section II presents background information of the Added Area including the geographic location, description of current conditions and area data; Section III documents the building condition assessment and qualifications of the Added Area as a combination conservation area and vacant blighted area under the Act; and Section IV, Summary and Conclusions, documents the findings of the Eligibility Study.

## **BACKGROUND INFORMATION**

### ***A. The Location and Size of the Added Area***

The Added Area is located in the New City Community Area within the area known as the former Union Stockyards which is primarily an industrial area.

The Added Area contains 16 buildings that sit on 28 parcels, 4 vacant parcels and 1 parcel which is right of way and the total land area is approximately 43.9 acres.

### **Industrial**

The Added Area is predominantly industrial and consists of structures that need repair due to depreciation of physical maintenance and other conditions. Declining public and private investment is also evidenced by deterioration and depreciation of maintenance of some of the public infrastructure components (principally streets and sidewalks) and deterioration of private properties. The Added Area is underutilized and consists of 16 buildings, of which 11 buildings or sixty-nine percent (69%), are 35 years of age or older.

### **Basis for Redevelopment**

The Illinois General Assembly made these key findings in adopting the Act:

1. That there exists in many municipalities within the state blighted and conservation areas;
2. That as a result of the existence of blighted areas and areas requiring conservation, there is an excessive and disproportionate expenditure of public funds, inadequate public and private investment, unmarketability of property, growth in delinquencies and crime, and housing and zoning law violations in such areas together with an abnormal exodus of families and businesses so that the decline of these areas impairs the value of private investments and threatens the sound growth and the tax base of taxing districts in such areas, and threatens the health, safety, morals, and welfare of the public; and
3. That the eradication of blighted areas and the treatment and improvement of conservation areas by redevelopment projects are essential to the public interest.

To ensure that the exercise of these powers is proper and in the public interest, the Act also specifies certain requirements that must be met before a municipality can proceed with implementing a redevelopment project. One of these requirements is that the municipality must demonstrate that a prospective redevelopment project area qualifies either as a blighted area or as a conservation area within the definitions for each set forth in the Act (Section 11-74.4-3).

## QUALIFICATION OF THE ADDED AREA

### A. *Illinois Tax Increment Allocation Redevelopment Act*

The Act authorizes Illinois municipalities to redevelop locally designated deteriorated areas through tax increment financing. In order for an area to qualify as a tax increment financing district, it must first be designated as a blighted area, a conservation area (or a combination of the two), or an industrial park conservation area as defined at 5/11-74.4-3(a) of the Act. Based on the criteria set forth in the Act, the improved portion of the Added Area was determined to qualify as a conservation area, and the vacant portion of the Added Area was determined to qualify as a blighted area.

As set forth in the Act a conservation area is:

*“conservation area means any improved area within the boundaries of a redevelopment project area located within the territorial limits of the municipality in which 50% or more of the structures in the area have an age of 35 years or more. Such an area is not yet a blighted area but because of a combination of three (3) or more of the following factors is detrimental to the public safety, health, morals or welfare and such an area may become a blighted area:*

- (1) Dilapidation. An advanced state of disrepair or neglect of necessary repairs to the primary structural components of buildings or improvements in such a combination that a documented building condition analysis determines that major repair is required or the defects are so serious and so extensive that the buildings must be removed.*
- (2) Obsolescence. The condition or process of falling into disuse. Structures have become ill-suited for the original use.*
- (3) Deterioration. With respect to buildings, defects including, but not limited to, major defects in the secondary building components such as doors, windows, porches, gutters and downspouts, and fascia. With respect to surface improvements, that the condition of roadways, alleys, curbs, gutters, sidewalks, off-street parking, and surface storage areas evidence deterioration, including, but not limited to, surface cracking, crumbling, potholes, depressions, loose paving material, and weeds protruding through paved surfaces.*
- (4) Presence of structures below minimum code standards. All structures that do not meet the standards of zoning, subdivision, building, fire, and other governmental codes applicable to property, but not including housing and property maintenance codes.*
- (5) Illegal use of individual structures. The use of structures in violation of applicable federal, State, or local laws, exclusive of those applicable to the presence of structures below minimum code standards.*
- (6) Excessive vacancies. The presence of buildings that are unoccupied or under-utilized and that represent an adverse influence on the area because of the frequency, extent, or duration of the vacancies.*

- (7) *Lack of ventilation, light, or sanitary facilities. The absence of adequate ventilation for light or air circulation in spaces or rooms without windows, or that require the removal of dust, odor, gas, smoke, or other noxious airborne materials. Inadequate natural light and ventilation means the absence or inadequacy of skylights or windows for interior spaces or rooms and improper window sizes and amounts by room area to window area ratios. Inadequate sanitary facilities refers to the absence or inadequacy of garbage storage and enclosure, bathroom facilities, hot water and kitchens, and structural inadequacies preventing ingress and egress to and from all rooms and units within a building.*
- (8) *Inadequate utilities. Underground and overhead utilities such as storm sewers and storm drainage, sanitary sewers, water lines, and gas, telephone, and electrical services that are shown to be inadequate. Inadequate utilities are those that are:*
  - (i) *of insufficient capacity to serve the uses in the redevelopment project area,*
  - (ii) *deteriorated, antiquated, obsolete, or in disrepair, or*
  - (iii) *lacking within the redevelopment project area.*
- (9) *Excessive land coverage and overcrowding of structures and community facilities. The over-intensive use of property and the crowding of buildings and accessory facilities onto a site. Examples of problem conditions warranting the designation of an area as one exhibiting excessive land coverage are: the presence of buildings either improperly situated on parcels or located on parcels of inadequate size and shape in relation to present-day standards of development for health and safety and the presence of multiple buildings on a single parcel. For there to be a finding of excessive land coverage, these parcels must exhibit one (1) or more of the following conditions: insufficient provision for light and air within or around buildings, increased threat of spread of fire due to the close proximity of buildings, lack of adequate or proper access to a public right-of-way, lack of reasonably required off-street parking, or inadequate provision for loading and service.*
- (10) *Deleterious land use or layout. The existence of incompatible land-use relationships, buildings occupied by inappropriate mixed-uses, or uses considered to be noxious, offensive, or unsuitable for the surrounding area.*
- (11) *Lack of community planning. The proposed redevelopment project area was developed prior to or without the benefit or guidance of a community plan. This means that the development occurred prior to the adoption by the municipality of a comprehensive or other community plan or that the plan was not followed at the time of the area's development. This factor must be documented by evidence of adverse or incompatible land-use relationships, inadequate street layout, improper subdivision, parcels of inadequate shape and size to meet contemporary development standards, or other evidence demonstrating an absence of effective community planning.*

- (12) *The area has incurred Illinois Environmental Protection Agency or United States Environmental Protection Agency remediation costs for, or a study conducted by an independent consultant recognized as having expertise in environmental remediation has determined a need for, the clean-up of hazardous waste, hazardous substances, or underground storage tanks required by State or federal law, provided that the remediation costs constitute a material impediment to the development or redevelopment of the redevelopment project area.*
- (13) *The total equalized assessed value of the proposed redevelopment project area has declined for three (3) of the last five (5) calendar years for which information is available or is increasing at an annual rate that is less than the balance of the municipality for three (3) of the last five (5) calendar years for which information is available or is increasing at an annual rate that is less than the Consumer Price Index for All Urban Consumers published by the United States Department of Labor or successor agency for three (3) of the last five (5) calendar years for which information is available.”*

As set forth in the Act, a blighted area is:

*“any improved or vacant area within the boundaries of a redevelopment project area located within the territorial limits of the municipality where:*

*...*

- (2) *If **vacant**, the sound growth of the redevelopment project area is impaired by a combination of two (2) or more of the following factors, each of which is (i) present, with that presence documented, to a meaningful extent so that a municipality may reasonably find that the factor is clearly present within the intent of the Act and (ii) reasonably distributed throughout the vacant part of the redevelopment project area to which it pertains:*
- (A) *Obsolete platting of vacant land that results in parcels of limited or narrow size or configurations of parcels of irregular size or shape that would be difficult to develop on a planned basis and in a manner compatible with contemporary standards and requirements, or platting that failed to create rights-of-way for streets or alleys or that created inadequate right-of-way widths for streets, alleys, or other public rights-of-way or that omitted easement for public utilities.*
  - (B) *Diversity of ownership of parcels of vacant land sufficient in number to retard or impede the ability to assemble the land for development.*
  - (C) *Tax and special assessment delinquencies exist or the property has been the subject of tax sales under the Property Tax Code within the last five (5) years.*
  - (D) *Deterioration of structures or site improvements in neighboring areas adjacent to the vacant land.*
  - (E) *The area has incurred Illinois Environmental Protection Agency or United State Environmental Protection Agency remediation costs for, or a study conducted by an independent consultant recognized as having expertise in environmental remediation has determined a need for, the clean-up of hazardous waste, hazardous substances, or underground storage tanks required by State or federal law, provided that the remediation costs*

*constitute a material impediment to the development or redevelopment of the redevelopment project area.*

- (F) *The total equalized assessed value of the proposed redevelopment project area has declined for three (3) of the last five (5) calendar years prior to the year in which the redevelopment project area is designated or is increasing at an annual rate that is less than the balance of the municipality for three (3) of the last five (5) calendar years for which information is available or is increasing at an annual rate that is less than the Consumer Price Index for All Urban Consumers published by the United States Department of Labor or successor agency for three (3) of the last five (5) calendar years prior to the year in which the redevelopment project area is designated.*
- (3) *If vacant, the sound growth of the redevelopment project area is impaired by one of the following factors that (i) is present, with that presence documented, to a meaningful extent so that a municipality may reasonably find that the factor is clearly present within the intent of the Act and (ii) is reasonably distributed throughout the vacant part of the redevelopment project area to which it pertains:*
- (A) *The area consists of one or more unused quarries, mines, or strip mine ponds.*
  - (B) *The area consists of unused rail yards, rail tracks, or railroad rights-of-way.*
  - (C) *The area, prior to its designation, is subject to chronic flooding that adversely impacts on real property in the area as certified by a registered professional engineer or appropriate regulatory agency.*
  - (D) *The area consists of an unused or illegal disposal site containing earth, stone, building debris, or similar materials that were removed from construction, demolition, excavation, or dredge sites.*
  - (E) *Prior to the effective date of this amendatory Act of the 91<sup>st</sup> General Assembly, the area is not less than 50 nor more than 100 acres and 75% of which is vacant (notwithstanding that the area has been used for commercial agricultural purposes within five (5) years prior to the designation of the redevelopment project area), and the area meets at least one (1) of the factors itemized in paragraph (1) of this subsection, the area has been designated as a town or village center by ordinance or comprehensive plan adopted prior to January 1, 1982,, and the area has not been developed for that designated purpose.*
  - (F) *The area qualified as a blighted improved area immediately prior to becoming vacant, unless there has been substantial private investment in the immediately surrounding area.”*

It is also important to note that the test of eligibility is based on the conditions of the Added Area as a whole; it is not required that eligibility be established for each and every property in the Added Area.

## **B. Survey, Analysis and Distribution of Eligibility Factors**

A parcel-by-parcel analysis of the Added Area was conducted to identify the presence of TIF eligibility factors. The condition of each parcel and structure in the Added Area was documented. Field survey data was compiled and analyzed to investigate the presence and distribution of each of the TIF eligibility factors. That data is presented **Summary of TIF Eligibility Factors Table**.

The improved portion of the Added Area contains 16 buildings located on 28 tax parcels. The following conditions have been found to be present to a major extent and qualify the improved portion of the Added Area as a Conservation Area under the Act:

- The predominance of buildings (11 which account for 69% of buildings)<sup>1</sup> that are 35 years of age or older;
- Obsolescence (8 or 50% of buildings);
- Deteriorated buildings (12 or 75% of buildings);
- Parcels with site improvements that are deteriorated (25 or 89% of improved parcels);
- Excessive vacancies (51% of the total square footage of the buildings are vacant); and
- Declining EAV

The following conditions have been found to be present to a minor extent and while they have not been used to qualify the Added Area, are contributing factors that indicate the need for private investment in the area:

- Dilapidation (1 or 6% of buildings);
- Lack of ventilation, light or sanitary facilities (5 or 31% of improved parcels);
- Excessive land coverage and overcrowding of structures (4 or 14% of improved parcels)

The vacant portion of the Added Area acreage, which constitutes approximately 10% of net land area, is characterized by the following conditions:

- Obsolete platting (3 or 75% of vacant parcels)
- Deterioration of structures or site improvements in neighboring areas (4 or 100% of vacant parcels).

### ***C. Evaluation Procedure***

The Consultant conducted exterior surveys of observable conditions on all properties, buildings, and public and private improvements located in the Added Area. These inspectors have been trained in TIF survey techniques and have extensive experience in similar undertakings.

The surveys examined not only the condition and use of buildings, but also included surveys of streets, sidewalks, curbs, gutters, lighting, vacant land, underutilized land, parking facilities, landscaping, fences and walls, and general maintenance. In addition, an analysis was conducted on existing site coverage, parking and land uses, and their relationship to the surrounding Area. Investigators also researched historic photos and were assisted by information obtained from the City of Chicago. The boundary and qualification of the Added Area was determined by the field investigations, eligibility requirements described in the Act, and the needs and deficiencies of the Added Area.

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<sup>1</sup> This is greater than the statutory requirement. Under the Tax Increment Allocation Redevelopment Act, for designation of an area as a Conservation Area, 50% or more of the buildings must be 35 years of age or older.

**D. Investigation and Analysis of Factors**

In determining whether or not the proposed Added Area meets the eligibility requirements of the Act, various methods of research were used in addition to the field surveys. The data includes information assembled from the sources below:

1. Contacts with local individuals knowledgeable as to Added Area conditions and history, age of buildings and site improvements, methods of construction, real estate records and related items, and other information related to the Added Area was used. In addition, aerial photographs, Sidwell block sheets, City utility atlases, electronic permitting data, etc. were also utilized.
2. Inspection and research as to the condition of local buildings, streets, utilities, etc.
3. On-site field inspection of the proposed Added Area conditions by experienced property inspectors of the Consultant and others as previously noted. Personnel of the Consultant are trained in techniques and procedures of determining conditions of properties, utilities, streets, etc. and determination of eligibility of designated areas for tax increment financing.
4. Use of accepted definitions as provided for in the Act.
5. Adherence to basic findings of need as established by the Illinois General Assembly in establishing tax increment financing which became effective on January 10, 1977. These are:
  - i. There exists in many Illinois municipalities areas that are conservation or blighted areas, within the meaning of the TIF statute.
  - ii. The eradication of blighted areas and the treatment of conservation areas by redevelopment projects are essential to the public interest.

These findings are made on the basis that the presence of blight or conditions which lead to blight, is detrimental to the safety, health, welfare and morals of the public.

**E. Eligibility Factors – Improved Added Area**

In making the determination of eligibility, each and every property or building in the Added Area is not required to be blighted or otherwise qualify. It is the Added Area as a whole that must be determined to be eligible.

The report stated below details conditions that cause the Added Area to qualify under the Act as a conservation area, per surveys and research undertaken by the Consultant in February 2017:

**Age of Structures**

Age, although not one of the 13 factors used to establish a conservation area under the Act, is used as a threshold that an area must meet in order to qualify.

Age presumes the existence of problems or limiting conditions resulting from normal and

continuous use of structures and exposure to the elements over a period of many years. As a rule, older buildings typically exhibit more problems than buildings constructed in later years because of longer periods of active usage (“wear and tear”) and the impact of time, temperature and moisture. Additionally, older buildings tend not to be ideally suited for meeting modern-day space and development standards. These typical problematic conditions in older buildings can be the initial indicators that the factors used to qualify may be present.

### **Summary of Findings Regarding Age: YES**

*There are 16 buildings in the Added Area. Of these buildings, 11 (69%) are 35 years of age or older as determined by field surveys and local research. In many instances buildings are significantly older than 35 year of age. The Added Area meets the threshold requirement for a conservation and blighted area in that more than 50% of the structures in the Added Area exceed 35 years of age.*

#### **1. Dilapidation**

Dilapidation as a factor is based upon the documented presence and reasonable distribution of buildings in an advanced state of disrepair. In order for a building to be classified as dilapidated, as the term is defined in the Act, major defects to the primary structural components of the building must be evident, or evident structural defects must be so extensive that the buildings must be removed. A small number of structures in Added Area have such critical defects in primary structural components, such as leaning or bowing load-bearing walls, severely sagging roofs, damaged floor structures, or foundations exhibiting major cracks or displacement.

### **Summary of Findings Regarding Dilapidation: NO**

*Although Dilapidation (structurally substandard buildings) as a factor is present in only 1 or 6% of the buildings in the Added Area, its presence should be noted as an indication of a lack of investment in the Added Area. However, this factor is not present to a meaningful degree, and therefore, is not a supporting factor for Added Area eligibility.*

#### **2. Obsolescence**

An obsolete building or improvement is one which no longer serves its intended use. The Act defines obsolescence as “the condition or process of falling into disuse. Structures have become ill-suited for the original use.” Obsolescence, as a factor, is based upon the documented presence and reasonable distribution of buildings and other site improvements evidencing such obsolescence. Examples include:

- a. Functional Obsolescence:** Structures are typically built for specific uses or purposes, and their design, location, height and space arrangement are each intended for a specific occupancy at a given time. Buildings are obsolete when they contain characteristics or deficiencies that limit the use and marketability of such buildings. The characteristics may include loss in value to a property resulting from an inherent deficiency existing from poor design or layout, improper orientation of the building on site, etc., which detracts from the overall usefulness

or desirability of a property. Obsolescence in such buildings is typically difficult and expensive to correct.

**b. Economic Obsolescence:** Economic obsolescence is normally a result of adverse conditions that cause some degree of market rejection, and hence, depreciation in market values. Typically, buildings classified as dilapidated and buildings that contain vacant space are characterized by problem conditions, which may not be economically curable, resulting in net rental losses and/or depreciation in market value.

**c. Obsolete site improvements:** Site improvements, including sewer and water lines, public utility lines (gas, electric and telephone), roadways, parking areas, parking structures, sidewalks, curbs and gutters, lighting, etc., may also evidence obsolescence in terms of their relationship to contemporary development standards for such improvements. Factors of this obsolescence may include inadequate utility capacities, outdated designs, etc.

### **Summary of Findings Regarding Obsolescence: YES**

*The area wide analysis indicates that of the 16 buildings obsolescence is present in 8 (50%) of the buildings. It was observed that the vacant fire house is a single-bay structure, and has fallen into disuse (vacant). This building would no longer function as a modern-day firehouse. Additionally, the buildings located at 1242 W. Exchange are currently only used for storage for the recycling facilities, have covered windows and would be difficult to reuse as anything other than storage. It was also noted that the office buildings located at 4141 and 4155 S. Packer have fallen into disuse, are currently vacant, and appear to have been vacant for a significant amount of time. Windows have been boarded up and the buildings exhibit significant deterioration. Due to the long-term vacancies it is reasonable to assume the mechanical and electrical systems of the buildings no longer meet current standards or code and may be inoperable. Other buildings in the study area exhibit similar issues.*

### **3. Deterioration**

Deterioration refers to physical deficiencies or disrepair in buildings or site improvements requiring treatment or repair. Conditions that are not easily correctable in the course of normal maintenance were classified as deteriorated. Such buildings may be classified as deteriorating or in an advanced stage of deterioration, depending upon the degree or extent of the defects.

### **Summary of Findings Regarding Deterioration: YES**

*Throughout the Added Area, deteriorating conditions were recorded on 12 (75%) of the 16 buildings in the Added Area. Buildings with some major or minor defects (e.g., deteriorating and unsecure fire escapes, large holes in floors of the building, deteriorated awning, cracks in masonry walls, damaging of corrugated steel buildings, etc.) were observed in the Added Area. In addition, site improvements like roadways and off-street parking areas also evidenced deterioration such as cracking on paved surfaces, collapsed alleys, potholes, depressions, loose paving materials and weeds protruding through the surface.*

#### **4. Presence of Structures Below Minimum Code Standards**

Structures below minimum code standards include all structures that do not meet the standards of zoning, subdivision, State building laws and regulations. The principal purposes of such codes are to require buildings to be constructed in such a way as to sustain safety of loads expected from various types of occupancy, to be safe for occupancy against fire and similar hazards, and/or establish minimum standards essential for safe and sanitary habitation. Structures below minimum code are characterized by defects or deficiencies that presume to threaten health and safety.

#### **Summary of Findings Regarding Presence of Structures Below Minimum Code Standards: NO**

*Considering the age of buildings in the Area, it is certain that many of the buildings are below the minimum code standards currently in force by the City of Chicago. However, in order to substantiate these conditions both interior and exterior inspections of the properties by qualified professionals would be required. Therefore, this factor cannot be verified as present for this Eligibility Study.*

#### **5. Illegal Use of Individual Structures**

This factor applies to the use of structures in violation of applicable national, State or local laws. Examples of illegal uses may include, but not be limited to, the following:

- a. illegal home occupations;
- b. conduct of any illegal vice activities such as gambling or drug manufacture;
- c. uses not in conformance with local zoning codes and not previously grandfathered in as legal nonconforming uses;
- d. uses involving manufacture, sale, storage or use of dangerous explosives and firearms.

#### **Summary of Findings Regarding Illegal Use of Individual Structures: NO**

*This factor was not documented in the Added Area.*

#### **6. Excessive Vacancies**

Establishing the presence of this factor requires the documenting of the presence of unoccupied or underutilized buildings that represent an adverse influence on the Area because of the frequency, extent, or duration of such vacancies. It includes properties which evidence no apparent effort directed toward occupancy or utilization and partial vacancies.

#### **Summary of Findings Regarding Excessive Vacancies: YES**

*During the field investigation of the industrial area within the Added Area, it was observed that a former fire station, a seven-story building, and a structure along Packers Avenue have excessive vacancies with approximately 51% of the industrial building square footage in the Added Area being unoccupied. Ultimately, while it was observed that only three (3) of the buildings in the Added Area are totally vacant, one of those buildings is*

*the largest and most prominent building in the Added Area. Additionally, several of the other buildings are largely unoccupied with minimal actual square footage being used. With total square footage in the Added Area buildings at approximately 469,187 square feet, the vacancies in these buildings make up approximately 238,920 square feet. Without intervention, vacancies are likely to persist and expand and continue to negatively impact surrounding properties.*

#### **7. Lack of Ventilation, Light or Sanitary Facilities**

Many older structures fail to provide adequate ventilation, light or sanitary facilities. This is also a characteristic often found in illegal or improper building conversions and in commercial buildings converted to residential usage. Lack of ventilation, light or sanitary facilities are presumed to adversely affect the health of building occupants (i.e., residents, employees or visitors).

#### **Summary of Findings Regarding Lack of Ventilation, Light or Sanitary Facilities: NO**

*The exterior field survey of buildings in the Added Area resulted in documentation of 5 structures (31%) without adequate mechanical ventilation, natural light and proper window area ratios in the Added Area. It is considered a factor to a minor extent.*

#### **8. Inadequate Utilities**

Inadequate utilities refer to deficiencies in the capacity or condition of utilities which service a property or area, including, but not limited to, storm water drainage, water supply, electrical power, sanitary sewers, gas and electricity.

#### **Summary of Findings Regarding Inadequate Utilities: NO**

*This factor was not documented in the Added Area.*

#### **9. Excessive Land Coverage and Overcrowding of Structures and Community Facilities**

This factor may be documented by showing instances where building coverage is excessive. Excessive coverage refers to the over-intensive use of property and the crowding of buildings and accessory facilities onto a site. Problem conditions include buildings either improperly situated on the parcel or located on parcels of inadequate size and/or shape in relation to present-day standards of development for health and safety; and multiple buildings on a single parcel. The resulting inadequate conditions include such factors as insufficient provision for light and air, increased threat of fire due to close proximity to nearby buildings, lack of adequate or proper access to a public right-of-way, lack of required off-street parking, and inadequate provision for loading or service. Excessive land coverage has an adverse or blighting effect on nearby development because problems associated with lack of parking or loading areas can negatively impact adjoining properties.

***Summary of Findings Regarding Excessive Land Coverage and Overcrowding of Structures and Community Facilities: NO***

*Excessive land coverage and overcrowding of structures and community facilities is minimally present in the Added Area. Four (4) of the 28 improved parcels have inadequate room for loading and parking forcing loading and parking to be done in the public right-of-way. Additionally, due to the inadequate off-street parking, cars are forced to also park in the public right-of-way.*

**10. Deleterious Land Use or Layout**

Deleterious land uses include all instances of incompatible land-use relationships, buildings occupied by inappropriate mixed uses, or uses which may be considered noxious, offensive or environmentally unsuitable.

***Summary of Findings Regarding Deleterious Land Use or Layout: NO***

*This factor was not documented in the Added Area.*

**11. Lack of Community Planning**

This may be counted as a factor if the Area was developed prior to, or without the benefit or guidance of, a community plan. This means that no community plan existed, was considered inadequate, and/or was virtually ignored during the time of the area's development. Indications of a lack of community planning include:

1. Streets, alleys, and intersections that are too narrow or awkwardly configured to accommodate traffic movements.
2. Inadequate street and utility layout.
3. Tracts of land that are too small or have awkward configurations that would not meet contemporary development standards.
4. Properties lack adequate access to public streets.
5. Industrial land use and zoning adjacent to or within heavily developed residential areas without ample buffer areas.
6. Commercial and industrial properties that are too small to adequately accommodate appropriate off-street parking and loading requirements.
7. The presence of deteriorated structures, code violations and other physical conditions that are further evidence of an absence of effective community planning.

**Summary of Findings Regarding Lack of Community Planning: YES**

*Lack of community planning was observed in 100% of the area. As evidenced by the placement and orientation of buildings with total or near-total lot coverage, and lack of provisions for off-street parking, loading and service, the development of the area occurred prior to a community plan or guidelines for the overall community area development. 42nd Street and 42<sup>nd</sup> Place are no longer through streets, due to a vacant privately owned tract of land bisecting them. Additionally, the majority of parcels are either of inadequate size or shape to be developed in their current configuration or they are oversized with limited access. Increased disinvestment and lack of demand has resulted in the vacancy and therefore, deterioration, of structures. The lack of ample new construction can be attributed to lack of community planning in the Area.*

**12. Environmental Remediation Costs**

If an Area has incurred Illinois or United States Environmental Protection Agency remediation costs for, or a study conducted by an independent consultant recognized as having expertise in environmental remediation has determined a need for, the clean-up of hazardous waste, hazardous substances, or underground storage tanks required by State or federal law, provided that the remediation costs constitute a material impediment to the development of the redevelopment project area then this factor may be counted.

**Summary of Findings Regarding Environmental Remediation Costs: NO**

*This factor was not identified in the Added Area.*

**13. Declining or Lagging Rate of Growth of Total Equalized Assessed Valuation**

If the total equalized assessed value of the proposed redevelopment project area has declined for three (3) of the last five (5) calendar years for which information is available, or is increasing at an annual rate that is less than the balance of the municipality for three (3) of the last five (5) calendar years for which information is available, or is increasing at an annual rate that is less than the Consumer Price Index for All Urban Consumers published by the United States Department of Labor or successor agency for three (3) of the last five (5) calendar years for which information is available then this factor may be counted.

**Summary of Findings Regarding Declining or Lagging Rate of Growth of Total Equalized Assessed Valuation: YES**

*Analysis of historic EAV for the Added Area indicated that the presence of this factor does exist. Over a five-year period from 2010 through 2015, the growth rate of the total equalized assessed valuation (EAV) of the Added Area has decreased for at least 3 of the past 5 years. These figures are shown below in Table 1 – Equalized Assessed Valuation Trends 2010 - 2015.*

**Table 1 - Equalized Assessed Valuation Trends 2010 - 2015**  
**Chicago Stockyards Redevelopment Project Area Amendment**  
 City of Chicago, Illinois

	Project Area EAV <sup>1</sup>	% Change from Previous Year	Did the Area's EAV decline? <sup>2</sup>
2010	\$6,095,032		
2011	\$5,969,138	-2.1%	YES
2012	\$4,949,984	-17.1%	YES
2013	\$5,689,350	14.9%	NO
2014	\$4,073,802	-28.4%	YES
2015	\$5,616,093	37.9%	NO

<sup>1</sup>Cook County Assessor data compiled by ERSE, March 2017.

<sup>2</sup>Citywide EAV less the Project Area EAV. Source is Cook County Clerk's Agency Tax Rate Reports for City of Chicago.

*The EAV declined in three (3) of the last five (5) years. Declining or Lagging Equalized Assessed Valuation as a factor is present in the improved parcels of the Added Area. Therefore, this factor is a supporting factor for Added Area conservation area eligibility.*

**F. Conclusion of Investigation of Eligibility Factors for the Improved Portion of the Redevelopment Project Area**

*The Improved tax parcels within the Added Area meet the requirements of the TIF Act for designation as a conservation area within the requirements of the Act.*

**Conclusion of Investigation of Eligibility Factors for the Improved Portion of the Redevelopment Project Area:**

The presence of deteriorated structures; deteriorated site improvements and public rights-of-way; obsolescence; excessive building vacancies; a lack of community planning and declining or lagging EAV are all indications of detrimental conditions in the Added Area which could lead to blight without an increase of private and public investment in the Added Area. Furthermore, these conditions are present to a meaningful extent and reasonably distributed throughout the improved portions of the Area. The presence of these TIF eligibility factors underscores the lack of private investment in the Area.

The tax increment program and redevelopment plan include measures designed to reduce or eliminate the deficiencies, which cause the improved portion of the Added Area to qualify as a conservation area consistent with the strategy of the City of Chicago for revitalizing other designated redevelopment areas and industrial corridors. As documented in this investigation and analysis, several of these factors affect the Added Area to a major or minor extent and more than qualify the improved portion of the Added Area as a conservation area under the Act.

**G. Analysis of Undeveloped or Vacant Property**

For the purpose of qualification for TIF, the term "vacant land" is defined in the TIF Act as follows:

*Any parcel or combination of parcels of real property without industrial, commercial, and residential buildings which has not been used for commercial agricultural purposes within five (5)*

*years prior to the designation of the redevelopment project area.*

Approximately 4.4 acres of the 43.9 acres (10%) of Added Area are considered vacant land under this definition. Vacant land is identified in the ***Plan Appendix, Exhibit B - Existing Land Use Map***. The blighting factors present on vacant parcels are summarized on ***Eligibility Study, Summary of TIF Eligibility Factors***.

Using GIS software, the Consultant evaluated the Added Area's vacant land in terms of the conditions listed during field surveys and subsequent analyses. The data was processed by Parcel Identification Number for each of the factors relevant to making a finding of eligibility.

#### **Vacant Blighted Area Category 1 Factors:**

Vacant land within the Added Area may qualify for designation as part of a redevelopment project area, if the sound growth of the redevelopment project area is impaired by a combination of two (2) of six (6) factors listed in section 11-74.4-3(a)(2) of the Act, each of which is (i) present, with that presence documented, to a meaningful extent so that a municipality may reasonably find that the factor is clearly present within the intent of the Act and (ii) reasonably distributed throughout the vacant part of the redevelopment project area to which it pertains. The Category 1 factors include:

##### **a. Obsolete Platting**

*This factor is present when the platting of vacant land results in parcels of limited or narrow size or configuration of parcels in irregular size or shape that would be difficult to develop on a planned basis, in a manner compatible with contemporary standards and requirements. Obsolete platting is also evident where there is a failure to create rights-of-way for streets or alleys or where public rights-of-way are of inadequate widths, or easements for public utilities have not been provided.*

##### **Summary of Findings Regarding Obsolete Platting: YES**

*Obsolete Platting as a factor affects 3 or 75% of vacant land in the Added Area and is therefore meaningfully present to a major extent and reasonably distributed throughout the Added Area.*

##### **b. Diversity of Ownership**

*This factor is present when the number of owners of the vacant land is sufficient in number to retard or impede the assembly of land for development.*

##### **Summary of Findings Regarding Diversity of Ownership: NO**

*This factor is not present within the Added Area.*

##### **c. Tax and Special Assessment Delinquencies**

*Tax and special assessment delinquencies exist or the property has been the subject of tax sales under the Property Tax Code within the last five (5) years*

**Summary of Findings Regarding Tax and Special Assessment Delinquencies: NO**

*This factor is not present within the Added Area.*

**d. Deterioration of Structures or Improvements in Neighboring Areas Adjacent to Vacant Land**

**Summary of Findings Regarding Deterioration of Structures or Improvements in Neighboring Areas Adjacent to Vacant Land: YES**

*As indicated in the above analysis of blighting factors present on improved portions of the Added Area, 100% of buildings exhibited deteriorated right-of-way conditions and 89% exhibited deteriorated site improvements and 75% contained deteriorated buildings. It was found that 4 (100%) of the vacant parcels are located adjacent to deteriorated buildings or site improvements.*

*The deteriorated buildings and site improvements detract from the desirability and marketability of nearby vacant sites. This impediment to redevelopment can be addressed in part through the use of public-private financing mechanisms such as tax increment financing.*

**e. Declining or Lagging Equalized Assessed Valuation**

*As defined in the Act, a “declining or lagging equalized assessed valuation” means that the total equalized assessed value of the proposed redevelopment project area has declined for 3 of the last 5 calendar years prior to the year in which the redevelopment project is designated or is increasing at an annual rate that is less than the balance of the municipality for 3 of the last 5 calendar years for which information is available or is increasing at an annual rate that is less than the Consumer Price Index for All Urban Consumers published by the United States Department of Labor or successor agency for 3 of the last 5 calendar years prior to the year in which the redevelopment project area is designated.*

**Summary of Findings Regarding Declining or Lagging Equalized Assessed Value: NO**

*This factor was considered not present.*

**f. Environmental Remediation**

*The area has incurred Illinois Environmental Protection Agency or United States Environmental Protection Agency remediation costs for, or a study conducted by an independent consultant recognized as having expertise in environmental remediation has determined a need for, the clean-up of hazardous waste, hazardous substances, or underground storage tanks required by State or federal law, provided that the remediation costs constitute a material impediment to the development or redevelopment of the redevelopment project area.*

**Summary of Findings Regarding Environmental Remediation: Not Indicated**

*As is noted in the discussion of environmental remediation, this factor was not identified. It is not known whether past land uses on parcels that are now vacant created soil or groundwater contamination. No documentation of past contamination of vacant land is presently available.*

**Vacant Blighted Area Category 2 Factors:**

*With regard to the second set of vacant land factors, if the Category 1 factors are not found to exist, only one (1) Category 2 factor is required for eligibility. No Category 2 factors were found to be present in the Added Area.*

**H. Conclusion of Investigation of Eligibility Factors for the Vacant Portion of the Added Area**

The discussion above, and the evidence summarized in **Eligibility Study, Table 2 – Summary of TIF Eligibility Factors**, indicate that the two Vacant Category 1 factors required to qualify the vacant portion of the Added Area as a blighted area exist and that the presence of those factors were documented to a meaningful extent so that the City may reasonably find that the factors are clearly present within the intent of the Act, and that the factors were reasonably distributed throughout the vacant portion of the Added Area.

The tax increment program and redevelopment plan include measures designed to reduce or eliminate the deficiencies which cause the Added Area to qualify consistent with the strategy of the City of Chicago for revitalizing other designated redevelopment areas and industrial corridors. As documented in this investigation and analysis, the vacant portion of the Added Area is impacted by a number of eligibility factors. The presence of these factors qualifies the vacant portion of the Added Area as a blighted area.

## SUMMARY AND CONCLUSIONS

The conclusions of Ernest R. Sawyer Enterprises and PGAV Planners are that the number, degree, and distribution of eligibility factors in the Added Area as documented in this Eligibility Study warrant: i) the designation of the improved portion of the Added Area as a **conservation area**, and ii) the designation of the vacant portion of the Added Area as a **blighted area** as set forth in the Act.

Although it may be concluded that the mere presence of the stated eligibility factors noted above may be sufficient to make a finding of qualification as a conservation area or a vacant blighted area, this evaluation was made on the basis that the factors must be present to an extent that would lead reasonable persons to conclude that public intervention is appropriate or necessary. From the data presented in this report it is clear that the eligibility factors are reasonably distributed throughout the Added Area.

Despite small incremental improvements scattered throughout the Area, there exist conditions in the Added Area that continue to threaten the public safety, health and welfare. The presence of deteriorated structures; the high level of commercial building vacancies; inadequate utilities; deteriorated streets and sidewalks; and the predominance of underutilized, vacant and tax exempt properties in the Added Area may result in further disinvestments that will not be overcome without action by the City. These conditions have been previously documented in this report. All properties within the Added Area will benefit from the TIF program.

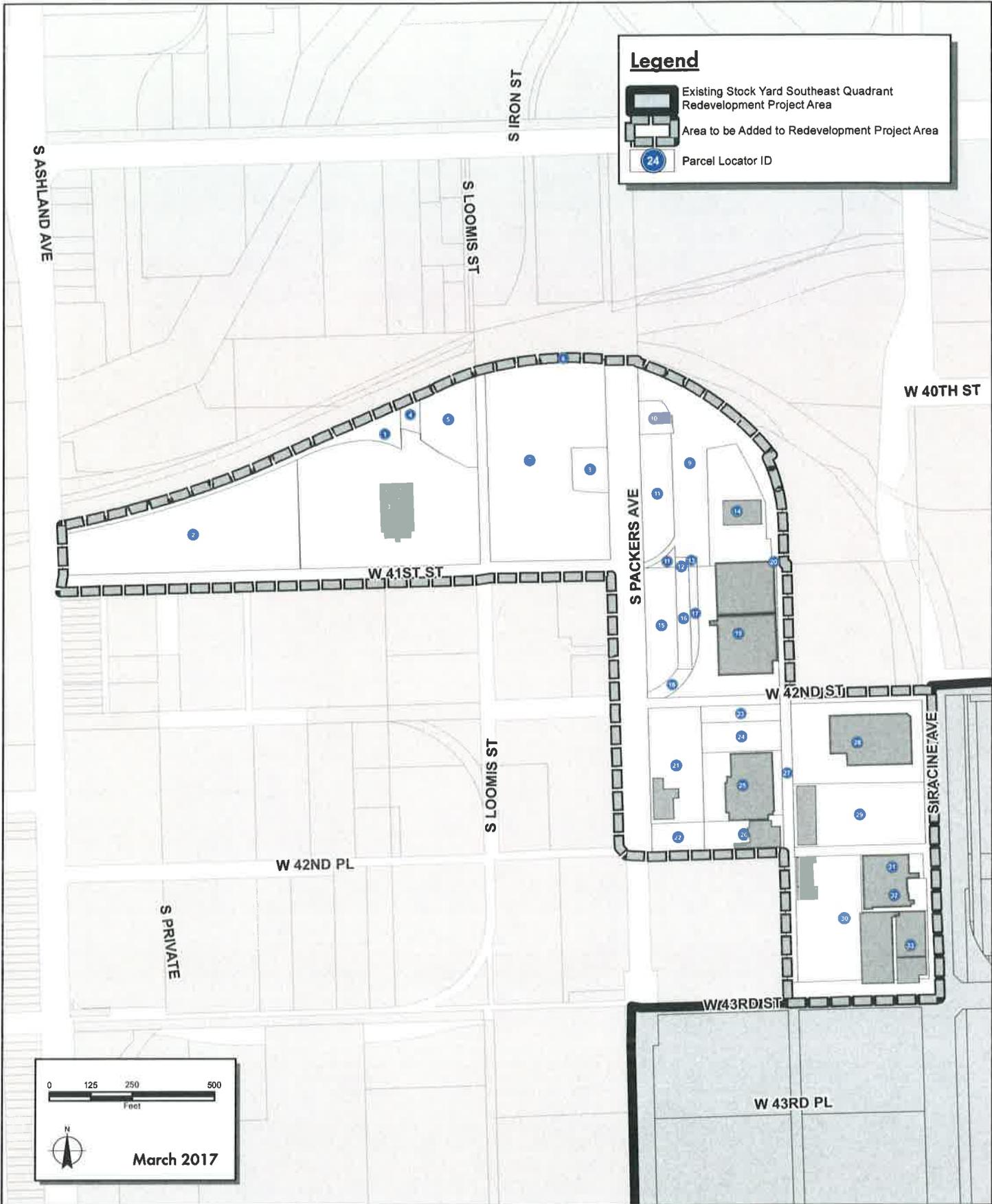
The conclusions presented in this Eligibility Study are those of the Consultant. The local governing body should review this Eligibility Study and, if satisfied with the summary of findings contained herein, adopt a resolution making a finding of a conservation area for the improved portion of the Added Area and finding of a blighted area for vacant portion of the Added Area and making this Eligibility Study a part of the public record.

The analysis contained herein was based upon data assembled by Ernest R. Sawyer Enterprises and PGAV Planners. The study and survey of the Added Area indicate the requirements necessary for designation as a combination conservation and blighted area, are present. Therefore, the Added Area qualifies as a combination conservation area and a vacant blighted area to be designated as a redevelopment project area and eligible for Tax Increment Financing under the Act.

**Table 2**  
**SUMMARY OF TIF ELIGIBILITY FACTORS**  
Chicago Stockyards Redevelopment Project Area Amendment  
City of Chicago, Illinois

	Total	%
No. of improved parcels	28	88%
No. of vacant parcels	4	13%
Pacels in R.O.W.	1	0%
Total parcels	33	100%
Total buildings	16	100%
No. of buildings 35 years or older	11	69%
Housing units	0	NA
Occupied housing units	0	NA
Sub-Area count	1	100%
<b>IMPROVED LAND FACTORS:</b>		
No. of deteriorated buildings	12	75%
No. of parcels with site improvements that are deteriorated	25	89%
Deteriorated street and/or sidewalk pavement (by sub-area)	1	100%
No. of dilapidated buildings	1	6%
No. of obsolete buildings	8	50%
No. of structures below minimum code	ND <sup>1</sup>	
No. of buildings lacking ventilation, light or sanitation facilities	5	31%
No. of building with illegal uses	0	0%
Approximate total building square footage	469,187	100%
Approximate vacant building square footage (excessive vacancy)	238,920	51%
No. of parcels with excessive land coverage or overcrowding of structures	4	14%
Inadequate utilities	NO	
Deleterious land use or layout (by sub-area)	0	0%
Environmental Clean-up	ND <sup>1</sup>	
Lack of community planning	16	100%
Declining or Sub-par EAV Growth	YES	
<b>CATEGORY 1 VACANT LAND FACTORS (2 or More):</b>		
Obsolete Platting	3	75%
Diversity of Ownership (by sub-area)	0	0%
Tax Delinquencies	0	0%
Deterioration of Structures Or Site Improvements in Neighboring Areas	4	100%
Environmental Clean-up	ND <sup>1</sup>	
Declining or Sub-par EAV Growth	NO	
<b>CATEGORY 2 VACANT LAND FACTORS (1 or More):</b>		
Unused Quarry, Mines, Rail, etc.	0	NA
Blighted Before Vacant	0	NA
Chronic Flooding	0	NA
Unused or Illegal Disposal Site	0	NA

<sup>1</sup> Not Determined



**Parcel Locator**

Chicago Stockyards Redevelopment Project Area Amendment  
 City of Chicago, Illinois



*Conestoga Sawyer Enterprises, Inc.*  
 100 North LaSalle Street, Suite 1515 • Chicago, Illinois 60602



STATE OF ILLINOIS        )  
  )  
COUNTY OF COOK         )

**CERTIFICATION**

**TO:**

Susana Mendoza  
Comptroller of the State of Illinois  
James R. Thompson Center  
100 West Randolph Street, Suite 15-500  
Chicago, Illinois 60601  
Attention: June Canello, Director of Local Government

Janice Jackson  
Chief Executive Officer  
Chicago Board of Education  
42 West Madison Street  
Chicago, Illinois 60603

James R. Dempsey  
Associate Vice Chancellor-Finance  
City Colleges of Chicago  
226 West Jackson Boulevard, Room 1125  
Chicago, Illinois 60606

Jacqueline Torres, Director of Finance  
Metropolitan Water Reclamation District  
of Greater Chicago  
100 East Erie Street, Room 2429  
Chicago, Illinois 60611

Jay Stewart  
Interim Bureau Chief  
Cook County Bureau of Economic Dev.  
69 West Washington Street, Suite 3000  
Chicago, Illinois 60602

Douglas Wright  
South Cook County Mosquito Abatement  
District  
155th Dixie Highway  
P.O. Box 1030  
Harvey, Illinois 60426

Lawrence Wilson, Comptroller  
Forest Preserve District of Cook County  
69 W. Washington Street, Suite 2060  
Chicago, IL 60602

Michael P. Kelly, General Superintendent  
CEO  
Chicago Park District  
541 North Fairbanks, 7th Floor  
Chicago, Illinois 60611

I, Rahm Emanuel, in connection with the annual report (the “Report”) of information required by Section 11-74.4-5(d) of the Tax Increment Allocation Redevelopment Act, 65 ILCS5/11-74.4-1 et seq, (the “Act”) with regard to the Stockyards Southeast Quadrant Industrial Redevelopment Project Area (the “Redevelopment Project Area”), do hereby certify as follows:

**Attachment B**

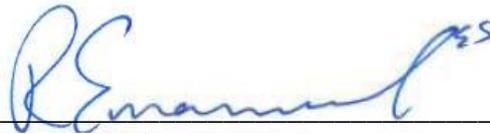
1. I am the duly qualified and acting Mayor of the City of Chicago, Illinois (the “City”) and, as such, I am the City’s Chief Executive Officer. This Certification is being given by me in such capacity.

2. During the preceding fiscal year of the City, being January 1 through December 31, 2017, the City complied, in all material respects, with the requirements of the Act, as applicable from time to time, regarding the Redevelopment Project Area.

3. In giving this Certification, I have relied on the opinion of the Corporation Counsel of the City furnished in connection with the Report.

4. This Certification may be relied upon only by the addressees hereof.

IN WITNESS WHEREOF, I have hereunto affixed my official signature as of this 29th day of June, 2018.



---

Rahm Emanuel, Mayor  
City of Chicago, Illinois



DEPARTMENT OF LAW  
CITY OF CHICAGO

June 29, 2018

**Attachment C**

Susana Mendoza  
Comptroller of the State of Illinois  
James R. Thompson Center  
100 West Randolph Street, Suite 15-500  
Chicago, Illinois 60601  
Attention: June Canello, Director of Local Government

Janice Jackson  
Chief Executive Officer  
Chicago Board of Education  
42 West Madison Street  
Chicago, Illinois 60603

James R. Dempsey  
Associate Vice Chancellor-Finance  
City Colleges of Chicago  
226 West Jackson Boulevard, Room 1125  
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69 W. Washington Street, Suite 2060  
Chicago, IL 60602

Michael P. Kelly, General Superintendent  
CEO  
Chicago Park District  
541 North Fairbanks, 7th Floor  
Chicago, Illinois 60611

Re: Stockyards Southeast Quadrant Industrial Redevelopment Project Area  
(the "Redevelopment Project Area")

Dear Addressees:

I am the Corporation Counsel of the City of Chicago, Illinois (the "City") and, in such capacity, I am the head of the City's Law Department. In such capacity, I am providing the opinion required by Section 11-74.4-5(d)(4) of the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1 et seq. (the "Act"), in connection with the submission of the report (the "Report") in accordance with, and containing the information required by, Section 11-74.4-5(d) of the Act for the Redevelopment Project Area.

Attorneys, past and present, in the Law Department of the City and familiar with the requirements of the Act, have had general involvement in the proceedings affecting the Redevelopment Project Area, including the preparation of ordinances adopted by the City Council of the City with respect to the following matters: approval of the redevelopment plan and project for the Redevelopment Project Area, designation of the Redevelopment Project Area as a redevelopment project area, and adoption of tax increment allocation financing for the Redevelopment Project Area, all in accordance with the then applicable provisions of the Act. Various departments of the City, including, if applicable, the Law Department, Department of Planning and Development, Department of Finance and Office of Budget and Management (collectively, the “City Departments”), have personnel responsible for and familiar with the activities in the Redevelopment Project Area affecting such Department(s) and with the requirements of the Act in connection therewith. Such personnel are encouraged to seek and obtain, and do seek and obtain, the legal guidance of the Law Department with respect to issues that may arise from time to time regarding the requirements of, and compliance with, the Act.

In my capacity as Corporation Counsel, I have relied on the factual certification of the Commissioner of the Department of Planning and Development attached hereto as Schedule 1, along with the general knowledge and actions of the appropriately designated and trained staff of the Law Department and other applicable City Departments involved with the activities affecting the Redevelopment Project Area. In addition, I have caused to be examined or reviewed by members of the Law Department of the City the certified audit report, to the extent required to be obtained by Section 11-74.4-5(d)(9) of the Act and submitted as part of the Report, which is required to review compliance with the Act in certain respects, to determine if such audit report contains information that might affect my opinion. I have also caused to be examined or reviewed such other documents and records as were deemed necessary to enable me to render this opinion. Nothing has come to my attention that would result in my need to qualify the opinion hereinafter expressed, subject to the limitations hereinafter set forth, unless and except to the extent set forth in an Exception Schedule attached hereto as Schedule 2.

Based on the foregoing, I am of the opinion that, in all material respects, the City is in compliance with the provisions and requirements of the Act in effect and then applicable at the time actions were taken from time to time with respect to the Redevelopment Project Area.

This opinion is given in an official capacity and not personally and no personal liability shall derive herefrom. Furthermore, the only opinion that is expressed is the opinion specifically set forth herein, and no opinion is implied or should be inferred as to any other matter. Further, this opinion may be relied upon only by the addressees hereof and the Mayor of the City in providing his required certification in connection with the Report, and not by any other party.

Very truly yours,



Edward N. Siskel  
Corporation Counsel

**SCHEDULE 1**  
June 29, 2018  
**CERTIFICATION**

Commissioner  
Department of Planning and Development  
City of Chicago

I, David L. Reifman, am the Commissioner of the Department of Planning and Development (“DPD”) of the City of Chicago, Illinois (the “City”) and, in such capacity, I am the head of DPD. I am also the TIF Administrator for the City for purposes of the Report (defined below). In such capacity, I am providing this Certification for the Corporation Counsel of the City to rely upon in connection with the opinion required by either Section 11-74.4-5(d)(4) of the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1 et seq. (the “Act”), or by Section 11-74.6-22(d)(4) of the Industrial Jobs Recovery Law, 65 ILCS 5/11-74.6-1 et seq. (the “Law”), as the case may be, in connection with the submission of an annual report (the “Report”) containing the information required by Section 11-74.4-5(d) of the Act or Section 11-74.6-22(d) of the Law for each of the Redevelopment Project Areas listed in Section 1 of the Report and hereby incorporated into this Certification (the “Redevelopment Project Areas”).

I hereby certify the following to the Corporation Counsel of the City:

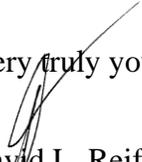
1. DPD has overall responsibility for and is familiar with the activities in each of the Redevelopment Project Areas. DPD personnel are familiar with the requirements of the Act and the Law and are encouraged to seek and obtain, and do seek and obtain, the legal guidance of the City’s Department of Law with respect to legal issues that may arise from time to time regarding the requirements of, and compliance with, the Act and the Law.
2. DPD personnel have monitored compliance with the requirements of the Act and the Law during the previous fiscal year under my supervision and to my reasonable satisfaction in connection with each of the Redevelopment Project Areas.
3. I have reviewed, or caused to be reviewed by DPD personnel to my reasonable satisfaction, each certified audit report, to the extent such an audit report is required to be obtained by Section 11-74.4-5(d)(9) of the Act or by Section 11-74.6-22(d)(9) of the Law and submitted as part of the Report, which is required to review compliance with the Act or the Law in certain respects, to determine if such audit report contains information that might affect this Certification.
4. I have also reviewed, or caused to be reviewed by DPD personnel to my reasonable satisfaction, such other documents and records as I have deemed reasonably necessary to enable me to provide this Certification.
5. Nothing has come to my attention that would result in my need to qualify this

Certification except for the current, ongoing compliance issues within certain of the Redevelopment Project Areas, which issues are set forth and briefly explained in the Exception Schedule attached hereto as Exhibit A. With respect to these compliance issues, DPD staff continues to monitor and work with the owners and property managers of the projects noted on Exhibit A to correct the issues and bring these projects into full compliance with the Act and the Law.

Based on the foregoing, I hereby certify to the Corporation Counsel of the City that, in all material respects, DPD has taken the appropriate actions to ensure that the City is in compliance with the provisions and requirements of the Act and the Law in effect and then applicable at the time actions were taken from time to time with respect to each of the Redevelopment Project Areas.

This Certification is given in an official capacity and not personally and no personal liability shall derive herefrom. Further, this Certification may be relied upon only by the Corporation Counsel of the City in providing the required legal opinion in connection with the Report, and not by any other party.

Very truly yours,

  
David L. Reifman  
Commissioner  
Department of Planning and Development

**EXHIBIT A TO SCHEDULE 1**  
**Exception Schedule**

<b>TIF Area</b>	<b>Project Name</b>	<b>Ongoing Compliance Issues as of the Date of this Certification</b>
43rd/Cottage Grove	Hearts United – Phase III	DPD is working to verify this project’s compliance or lack of compliance with the Act
43rd/Cottage Grove	Mahogany Shops and Lofts 47 - Phase I	DPD is working to verify this project’s compliance or lack of compliance with the Act
67th/Cicero	Midway Village Senior Affordable	DPD is working to verify this project’s compliance or lack of compliance with the Act
Archer Courts	Archer Courts Phase I	DPD is working to verify this project’s compliance or lack of compliance with the tax credits extended use period
Bronzeville	Pershing Courts	Rents exceed limits at several units; not compliant with affordability covenants; inaccurate utility allowances
Central West	Horner IIA2 - Midrise	DPD is working to verify this project’s compliance or lack of compliance with the Act
Madden/Wells	Madden Wells 1A Rental Madden Wells 1B Rental Madden Wells 2A Rental	Rents exceed limits at several units; not compliant with affordability covenants
Chicago/Central Park	Rosa Parks Apartments	Rents exceed limits at several units; not compliant with affordability covenants
Wilson Yard	Clifton Magnolia	DPD is working to verify this project’s compliance or lack of compliance with the Act
Montclare	Montclare Belden Phase II	DPD is working to verify this project’s compliance or lack of compliance with the Act

## **SCHEDULE 2**

(Exception Schedule)

- No Exceptions
- Note the following Exceptions:

1

MEETING OF THE  
JOINT REVIEW BOARD

2

3

4 Re: Stockyards SEQ Amendment No. 6

5

6

City Hall - Room 1003A  
121 North LaSalle Street  
Chicago, Illinois

7

8

Friday, July 14, 2017  
10:06 a.m.

9

10 PRESENT:

11 Elizabeth Tomlins, Chairperson, Park District

12 Susan Marek, Board of Education

13 Colleen Stone, City of Chicago Finance Department

14 John Zukosky, City Colleges

15 Sean Bruen, Public Member

16 Tai Sawyer, ERS Enterprises, Inc.

17 V. Mishaune Sawyer, ERS Enterprises, Inc.

18 Beth McGuire, Department of Planning and Development

19 John Molloy, Department of Planning and Development

20 Keith A. May, Assistant Corporation Counsel

21 Craig Chico

22 Brendan White

23

Reported by: Nick D. Bowen  
CSR No. 084-001661

24

1 CHAIRPERSON TOMLINS: We're going to go ahead  
2 and get started.

3 Thank you, everyone, for joining the  
4 meeting today.

5 For the record, my name is Elizabeth  
6 Tomlins. I'm the representative of the Chicago  
7 Park District, which, under section 11-74.4-5 of  
8 the Tax Increment Allocation Redevelopment Act, is  
9 one of the statutorily designated members of the  
10 Joint Review Board. Until election of a chairperson,  
11 I will moderate this Joint Review Board meeting.

12 For the record, this will be a  
13 meeting to review the proposed Amendment No. 6  
14 to the Stockyards SEQ Tax Increment Financing  
15 District. The date of this meeting was announced  
16 at and set by the Community Development Commission  
17 of the City of Chicago at its meeting of June 13th,  
18 2017.

19 Notice of this meeting of the Joint  
20 Review Board was also provided by certified mail  
21 to each taxing district represented on the board,  
22 which includes Chicago Board of Education, the  
23 Chicago Community Colleges District 508, Chicago  
24 Park District, Cook County, and the City of

1 Chicago. Public notice of this meeting was also  
2 posted as of Wednesday, July 12th, 2017 in various  
3 locations throughout City Hall.

4           When a proposed redevelopment plan  
5 would result in the displacement of residents from  
6 10 or more inhabited residential units or would  
7 include 75 or more inhabited residential units, the  
8 TIF Act requires that the public member of the  
9 Joint Review Board must reside in the proposed  
10 redevelopment project area. In addition, if a  
11 municipality's housing impact study determines that  
12 the majority of residential units in the proposed  
13 redevelopment project area are occupied by low --  
14 very low-, low-, or moderate-income households, as  
15 defined in Section 3 of the Illinois Affordable  
16 Housing Act, the public member must be a person who  
17 resides in the low-, very low -- excuse me, very  
18 low-, low-, or moderate-income housing within the  
19 proposed redevelopment project area.

20           With us today is Sean Bruen.

21           MR. BRUEN: Hello.

22           CHAIRPERSON TOMLINS: Thank you for joining  
23 us.

24           Mr. Bruen, are you familiar with the

1 boundaries of the Amended Stockyard SEQ Tax  
2 Increment Redevelopment Project Area?

3 MR. BRUEN: Yes.

4 CHAIRPERSON TOMLINS: What is the address of  
5 your primary residence?

6 MR. BRUEN: 3510 South Lowe Avenue, Chicago,  
7 Illinois, 60609.

8 CHAIRPERSON TOMLINS: Is such address within  
9 the boundaries of the proposed amended Stockyards  
10 SEQ Tax Increment Financing Redevelopment Project  
11 Area?

12 MR. BRUEN: No.

13 CHAIRPERSON TOMLINS: Does that matter?

14 MS. MCGUIRE: There are no residences.

15 CHAIRPERSON TOMLINS: So you're close enough.

16 MR. BRUEN: I live near the proposed project.

17 CHAIRPERSON TOMLINS: Okay. As long as they  
18 tell me that's good with the rules, I'm good with  
19 that.

20 Have you provided representatives of  
21 the City of Chicago's Department of Planning and  
22 Development with accurate information concerning  
23 your income and the income of any other members of  
24 the household residing at such address?

1 MR. BRUEN: No information was requested.

2 CHAIRPERSON TOMLINS: Mr. Bruen, I'm assuming  
3 they say that's fine. Yes?

4 MS. MCGUIRE: Yes.

5 CHAIRPERSON TOMLINS: Nodding yes.

6 Mr. Bruen, are you willing to serve  
7 as the public member for the Joint Review Board for  
8 the amended Stockyards SEQ Tax Increment Financing  
9 Redevelopment Project Area?

10 MR. BRUEN: Yes.

11 CHAIRPERSON TOMLINS: Great.

12 I will entertain a motion that Sean  
13 Bruen be selected as the public member.

14 Is there a motion?

15 MS. MAREK: So moved.

16 CHAIRPERSON TOMLINS: Is there a second?

17 MS. STONE: Second.

18 CHAIRPERSON TOMLINS: All in favor please  
19 vote by saying aye.

20 (Chorus of ayes.)

21 All opposed please vote by saying no.

22 (No response.)

23 Let the record reflect that Sean  
24 Bruen has been selected as the public member for

1 the amended Stockyards SEQ Tax Increment Financing  
2 Redevelopment Project Area. Yay.

3 Our next order of business is to  
4 select a chairperson for this Joint Review Board.

5 Are there any nominations?

6 MS. STONE: I nominate Beth Tomlins.

7 CHAIRPERSON TOMLINS: Is there a second?

8 MS. MAREK: Second.

9 CHAIRPERSON TOMLINS: Are there any other  
10 nominations?

11 (No response.)

12 Let the record reflect there were no  
13 other nominations.

14 All in favor please vote by saying  
15 aye.

16 (Chorus of ayes.)

17 All opposed please vote by saying no.

18 (No response.)

19 Let the record reflect that  
20 Elizabeth Tomlins, that's me, has been elected as  
21 chairperson and will now serve as the chairperson  
22 for the remainder of the meeting. All right.  
23 Thank you.

24 For the newbies here, you'll find

1 that that's the same thing we read at each meeting.

2                   Okay. As I mentioned, at this  
3 meeting we will be reviewing a plan for the  
4 Stockyards SEQ TIF District Amendment No. 6  
5 proposed by the City of Chicago. Staff of the  
6 City's Department of Planning and Development and  
7 Law, as well as other departments, have reviewed  
8 this plan amendment which was introduced to the  
9 City's Community Development Commission on June 13,  
10 2017.

11                   We will listen to a presentation  
12 by the consultants on the plan. Following the  
13 presentation, we can address any questions that  
14 the members might have for the consultants or  
15 City staff.

16                   An amendment to the TIF Act  
17 requires us to base our recommendation to approve  
18 or disapprove the proposed Stockyards SEQ TIF  
19 District Amendment No. 6 on the basis of the area  
20 and the plan satisfying the plan requirements, the  
21 eligibility criteria defined in the TIF Act, and  
22 the objectives of the TIF Act.

23                   If the Board approves the plan  
24 amendment, the Board will then issue an advisory,

1 nonbinding recommendation by the vote of the  
2 majority of those members present and voting.  
3 Such recommendation shall be submitted to the City  
4 within 30 days after the Board meeting. Failure  
5 to submit such recommendation shall be deemed to  
6 constitute approval by the Board.

7                   If the Board disapproves the plan  
8 amendment, the Board must issue a written report  
9 describing why the plan and area fail to meet one  
10 or more of the objectives of the TIF Act and both  
11 the plan requirements and the eligibility criteria  
12 of the TIF Act. The City will then have 30 days to  
13 resubmit a revised plan. The Board and the City  
14 must also confer during this time to try and  
15 resolve the issues that led to the Board's  
16 disapproval. If such issues cannot be resolved or  
17 if the revised plan is disapproved, the City may  
18 proceed with the plan, but the plan can be approved  
19 only with a three-fifths vote of the City Council,  
20 excluding positions of members that are vacant and  
21 those members that ineligible to vote because of  
22 conflicts of interest.

23                   Okay. Now that we're through that,  
24 we're ready for the presentation.

1                   You may proceed.

2           MS. TAI SAWYER: Good morning, everyone. I'm  
3 Tai Sawyer with ERS Enterprises. Also here is  
4 Mishaune Sawyer, my colleague. We're with ERS  
5 Enterprises hired by the -- we're the consultants  
6 hired by the City to determine the eligibility of  
7 Amendment 6 to the Stockyards Southeast Quadrant  
8 Industrial TIF.

9                   And I'd like to present our analysis  
10 and findings starting with the background and  
11 characteristics.

12                   The project area is located near the  
13 Southwest Side of Chicago in the New City community  
14 area within the area formerly known as the Union  
15 Stockyards. It is in the 11th Ward where Patrick  
16 Thompson resides as alderman. And it was  
17 originally designated February 26, 1992. The  
18 12-year extension was approved November 1st, 2016.  
19 And the area is primarily industrial in nature.

20                   This -- the Stockyards SEQ boundary  
21 map shows the original area there outlined in  
22 purple and the added area outlined in red there in  
23 the shape of a mallard's head. And the added area  
24 is generally bound by Norfolk Southern Railroad

1 tracks on the north, Racine Avenue on the east,  
2 43rd Street on the south, and Ashland and Packers  
3 Avenue on the west.

4                   Okay. Related to the shape and size  
5 of the area, it's roughly 271 acres in total. 227  
6 of those acres we found were in the original area  
7 and 43.9 in the added area. There are a total of  
8 110 parcels; 77 are in the original area, and 33  
9 are in the added area.

10                   As I stated before, the land use, it  
11 is primarily industrial with some limited commercial/  
12 industrial mixed use. And there are no residential  
13 units. And there's also no acquisition list by the  
14 City.

15                   The plan goals and objectives are  
16 to encourage private investment in industrial  
17 facilities, encourage the use of renewable energy  
18 sources, increase business activity, taxable  
19 values, and the creation of job opportunities,  
20 facilitate infrastructure improvements, and improve  
21 access to the area and nearby highways.

22                   And as you'll see on the community  
23 context map, we've mapped out here the highways  
24 that are closest to the project area. You can see

1 I-55 and I-90 are the most prominent, making it  
2 easy for any access for any new businesses that may  
3 be added to the area.

4 So the reasons for the amendment are  
5 to update the plan budget to include the extension  
6 of the 12 years, to expand the original boundary  
7 area to encourage local growth and development  
8 while mitigating blighting influences, and to  
9 update the land use plan to attract new private  
10 development, and to update the plan language to  
11 current City of Chicago ordinance and policy  
12 standards, including the addition of language to  
13 allow portability between this TIF and any adjacent  
14 TIFs.

15 Shown here is the updated budget  
16 for the redevelopment project costs. In 1996, you  
17 can see it was roughly 26.6 million, the total  
18 redevelopment costs. And in 2017, it's roughly 62  
19 million, and that is including the extension of the  
20 12 years.

21 Again, the updated boundary map  
22 just -- you know, just shows the original area  
23 there in the purple and added area in the --  
24 outlined in red.

1                   The updated land use plan shows that  
2 the area, again, is mostly industrial in nature  
3 with some limited commercial/industrial mixed use  
4 parcels. You could see there those cross-hatched  
5 areas are the commercial/industrial mixed use.

6                   Do you need to see the previous map?

7           MR. BRUEN: No. That's fine.

8           MS. TIA SAWYER: Okay. The eligibility of  
9 the added area. We found that no new eligibility  
10 study was required for the original area. For the  
11 improved area, that portion of the added area  
12 qualifies as a conservation area. And the vacant  
13 land within the added area in the shape of the  
14 mallard head qualifies as a blighted area.

15                   Just want to make note that these  
16 qualifications were made on the basis that the  
17 presence of blight or conditions which may lead  
18 to blight are detrimental to the welfare of the  
19 public.

20                   Also, another -- other eligibility  
21 factors includes an age threshold. We found that  
22 69 percent of the buildings in the added area are  
23 35 years of age or older and only 50 percent is  
24 required. For the improved area, 6 of 13 factors

1 are present and only 3 are required. And for the  
2 vacant area, 2 of 12 factors are present and only  
3 2 are required.

4 The improved added area, those six  
5 factors -- of those six factors, we found four  
6 major factors and two minor factors. As you could  
7 see, the major, obsolescence, deterioration,  
8 excessive vacancies, declining or lacking rate of  
9 growth of total equalized assessed valuation.

10 The minor factors are excessive  
11 land coverage and overcrowding of structures  
12 and community facilities and lack of community  
13 planning.

14 Pictures here prove our factors.  
15 This shows -- the pictures here show the  
16 deterioration. We found that 12 of the 16  
17 buildings, or 75 percent, and 25 of the 33 parcels,  
18 or 89 percent, are deteriorated. These -- the  
19 defects shown here, you can see, if you can see,  
20 that there are crumbling gutters, doors, and  
21 windows. In the bottom two pictures, we saw  
22 cracking alleyways, potholes, leaves protruding  
23 through paved surfaces.

24 For the excessive vacancies factor,

1 three of the buildings are totally vacant with  
2 one of them being the largest and most prominent  
3 building in the added area; there, that picture  
4 on the right. And this represents an adverse  
5 influence on the area because of the frequency,  
6 extent, or duration of the vacancies in the area.

7                   The excessive land coverage factor,  
8 we found four of the parcels have inadequate room  
9 for loading and parking, forcing loading and  
10 parking to be done in the public right-of-way. And  
11 as you can see, the buildings are located directly  
12 on the street. And the close proximity of the  
13 buildings also adds to the threat of the spread of  
14 fire in case there is one.

15                   Obsolescence and lack of planning  
16 factors. We see here the structures pictured here  
17 have become ill-suited for their original use.  
18 When we went out to the field, we found that, you  
19 know, many of the structures just weren't being  
20 used for their intended use and just no longer  
21 serve a purpose in the current manufacturing  
22 industry.

23                   And additionally, the lack of  
24 community planning shows inadequate street layout

1 and improper subdivision.

2                   For the EAV, or the equalized  
3 assessed valuation, to qualify as a factor, the  
4 rate of growth for the EAV must decline within  
5 three of the last five years. And as you can see  
6 on our chart here, in the area, the EAV declined  
7 in 2011, 2012, and 2014.

8                   Eligibility factors of the added  
9 area for the vacant area, remind you, there are  
10 only two factors are required, and the two that we  
11 found were obsolete platting and deterioration of  
12 structure or improvements in neighboring areas  
13 adjacent to the vacant land.

14                   And then the aerial view here of  
15 the obsolete platting shows the parcels that are  
16 irregular size and shape. You can see here where  
17 it's cross-hatched those vacant -- the vacant areas  
18 with the obsolete platting that shows inadequate  
19 rights-of-way. We also found that most of the  
20 streets in the area are privately owned, narrow,  
21 and unpaved.

22                   And for the factor of deterioration  
23 of adjacent structures, all of the vacant parcels  
24 are located adjacent to deteriorated buildings or

1 site improvements; as you can see here, the vacant  
2 land.

3                   And this map here is just the map  
4 just shows the distribution of all of the eligibility  
5 factors that we went through throughout the added  
6 area.

7                   All right. And that concludes our  
8 presentation. Are there any questions?

9           MS. MAREK: I have a question. When you said  
10 that the streets are privately owned, what does  
11 that mean? It's just their land has a passageway  
12 on it, or is it really a street?

13           MS. MISHAUNE SAWYER: Some of them are not  
14 actually streets. Some of them I would call them  
15 more pathways or -- they're larger than alleys  
16 because you can actually drive through them. And  
17 some of them are small enough to just allow someone  
18 to walk through. And a lot of the streets, while  
19 they're there, they stop at a certain point and  
20 dead end into things. So there's no throughway for  
21 a lot of them and things like that. So it makes a  
22 lot of the -- especially the vacant parcels, some  
23 of them are just completely inaccessible except for  
24 like there may be one now.

1 MS. MAREK: So would one of the uses of the  
2 funds be to actually make them into streets?

3 MS. MISHAUNE SAWYER: It would depend on  
4 development. But, yes, we would do something to  
5 make them more accessible.

6 We would also do something -- well,  
7 "we" as in the royal "we" as in the City. We would  
8 encourage infrastructure improvements along -- so  
9 even the streets that are there are poorly paved.  
10 You know, I'm sure that -- I haven't been over  
11 there while it was raining, but after the effect,  
12 you could see that there were a lot of puddles and  
13 water, you know, standing water in places where you  
14 wouldn't want it to stand.

15 MS. MAREK: Okay. Thank you.

16 MS. TAI SAWYER: Any other questions?

17 CHAIRPERSON TOMLINS: Can you speak to the  
18 sort of toggling of the EAV over the years, how it  
19 went up and down in the past five years?

20 MS. MISHAUNE SAWYER: Oh, from the last line.  
21 This (indicating)?

22 CHAIRPERSON TOMLINS: Yeah. What happened in  
23 2013? What happened in 2015?

24 MS. MISHAUNE SAYER: My guess would be like,

1 and just based on what I've seen over there,  
2 sometimes some of the buildings might have made  
3 an improvement, and all it takes to make a jump  
4 like that would be like one improvement.

5 CHAIRPERSON TOMLINS: One of the buildings  
6 renovated or something?

7 MS. MISHAUNE SAWYER: Yes. Or may have just  
8 made some -- not even a complete renovation,  
9 because I don't think that's taken place in recent  
10 years. Right?

11 MR. MOLLOY: Yeah. And Testa Produce  
12 developed a new building at 45th and Racine,  
13 a large industrial building.

14 CHAIRPERSON TOMLINS: The other question I  
15 have, which might be more for you guys, I notice  
16 that as part of this amendment, you added renewable  
17 energy sources as one of the goals. Is that just  
18 for this TIF, or is that across the board something  
19 you're adding as a goal for all the other TIF  
20 boundaries?

21 MS. McGUIRE: So this is -- obviously,  
22 because this is an industrial TIF, this goal was  
23 fitting. So it would be great if a new development  
24 was to come in, we would ask it to be LEED

1 certified. It's, of course, in their economic best  
2 interest, right, to have a more energy-efficient  
3 buildings. And so that's a goal that really fits  
4 well in this TIF.

5                   If we were doing a commercial TIF,  
6 then, you know, that might not be something that's  
7 feasible to implement.

8                   But any new development that comes  
9 in, they do have LEED certification and -- I'm  
10 sorry, I'm blanking on -- there's another  
11 certification --

12           MR. MOLLOY: Energy Star.

13           MS. MCGUIRE: Thank you.

14                   -- (continuing) Energy Star that we  
15 would probably require as a condition of any TIF  
16 funds as well.

17           MS. MISHAUNE SAWYER: And some of the  
18 businesses have taken it on themselves to add  
19 windmills and things like that in that area to  
20 help with conservation.

21           CHAIRPERSON TOMLINS: I think it's a great  
22 change. A nice addition to the plan.

23           MS. MISHAUNE SAWYER: Yes, I think so too.

24           MS. TAI SAWYER: Anything else?

1           CHAIRPERSON TOMLINS: I have one more  
2 question. In the -- as part of this amendment  
3 also, there was the allowance of portability from  
4 the other TIFs into this TIF. And I guess just on  
5 a logistics, when we approve the allowance for this  
6 TIF to be portable, does that make the other TIFs  
7 around it already -- also portable? Or do we amend  
8 those as well? How does that work?

9           MS. MCGUIRE: So it's standard language  
10 now -- this is an older TIF when it was originally  
11 developed. And it's standard language now that  
12 there's template portability language. Some of the  
13 older TIFs from the '90s when portability was just  
14 becoming a thing, they might have only allowed  
15 portability in and portability out. So we're just  
16 trying to standardize it across the board.

17           CHAIRPERSON TOMLINS: So now it's blanket  
18 language that comes in sort of all of our TIFs?

19           MS. MCGUIRE: Yes.

20           CHAIRPERSON TOMLINS: All right. Anybody  
21 else have any questions?

22                           Sean?

23           MR. BRUEN: No. I think their presentation  
24 was very informative.

1 MS. MAREK: Yes. Very good.

2 CHAIRPERSON TOMLINS: Last chance.

3 (No response.)

4 All right.

5 MS. TAI SAWYER: Thank you.

6 CHAIRPERSON TOMLINS: If there are no further  
7 questions, I will entertain a motion that the Joint  
8 Review Board find that the proposed Stockyards SEQ  
9 Tax Increment Financing Redevelopment Project Area  
10 Amendment No. 6 satisfies the redevelopment plan  
11 requirements under the TIF Act, the eligibility  
12 criteria defined in Section 11-74.4-3 of the TIF  
13 Act, and the objectives of the TIF Act and that  
14 based on such findings approve such proposed plan  
15 amendment under the TIF Act.

16 Is there a motion?

17 MS. MAREK: So moved.

18 CHAIRPERSON TOMLINS: Is there a second?

19 MS. STONE: Second.

20 CHAIRPERSON TOMLINS: Is there any further  
21 discussion?

22 (No response.)

23 If not, all in favor please vote by  
24 saying aye.

1 (Chorus of ayes.)

2 All opposed please vote by saying

3 no.

4 (No response.)

5 Let the record reflect the Joint  
6 Review Board's approval of the proposed Stockyards  
7 SEQ Tax Increment Financing Redevelopment Project  
8 Area Amendment No. 6 under the TIF Act.

9 MS. WORTHY: Before we adjourn, could the  
10 Board please identify themselves for the record?

11 MR. ZUKOSKY: John Zukosky with the City  
12 Colleges.

13 MS. MAREK: Susan Marek, Board of Education.

14 CHAIRPERSON TOMLINS: Beth Tomlins, Chicago  
15 Park District.

16 MS. STONE: Colleen Stone, City of Chicago.

17 MR. BRUEN: Sean Bruen, public member.

18 CHAIRPERSON TOMLINS: All right. We are  
19 adjourned.

20 (The proceedings adjourned at  
21 10:26 a.m.)

22

23

24

CITY OF CHICAGO, ILLINOIS  
STOCKYARDS SOUTHEAST QUADRANT INDUSTRIAL  
REDEVELOPMENT PROJECT

FINANCIAL REPORT

DECEMBER 31, 2017

CITY OF CHICAGO, ILLINOIS  
STOCKYARDS SOUTHEAST QUADRANT INDUSTRIAL REDEVELOPMENT PROJECT

C O N T E N T S

	<u>Page</u>
INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION	1-2
Management's discussion and analysis	3-5
Statement of net position and governmental funds balance sheet	6
Statement of activities and governmental funds revenues, expenditures and changes in fund balance	7
Notes to financial statements	8-10
SUPPLEMENTARY INFORMATION	
Schedule of expenditures by statutory code	11



## INDEPENDENT AUDITOR'S REPORT

The Honorable Rahm Emanuel, Mayor  
Members of the City Council  
City of Chicago, Illinois

We have audited the accompanying financial statements of the Stockyards Southeast Quadrant Industrial Redevelopment Project of the City of Chicago, Illinois, as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the Project's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Stockyards Southeast Quadrant Industrial Redevelopment Project of the City of Chicago, Illinois, as of December 31, 2017, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Emphasis of Matter**

As described in Note 1, the financial statements present only the activities of the Stockyards Southeast Quadrant Industrial Redevelopment Project and do not purport to present the financial position and the changes in financial position of any other capital project and special revenue funds of the City of Chicago, Illinois, as of December 31, 2017 and for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

### **Other Matters**

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3-5 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### *Other Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the basic financial statements. The Schedule of Expenditures by Statutory Code is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, such information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.



June 29, 2018

CITY OF CHICAGO, ILLINOIS  
STOCKYARDS SOUTHEAST QUADRANT INDUSTRIAL REDEVELOPMENT PROJECT

MANAGEMENT'S DISCUSSION AND ANALYSIS  
(UNAUDITED)

As management of the Stockyards Southeast Quadrant Industrial Tax Increment Redevelopment Project Area (Project), we offer the readers of the Project's financial statements this narrative overview and analysis of the Project's financial performance for the year ended December 31, 2017. Please read it in conjunction with the Project's financial statements, which follow this section.

*Overview of the Financial Statements*

This discussion and analysis is intended to serve as an introduction to the Project's basic financial statements. The Project's basic financial statements include three components: 1) government-wide financial statements, 2) governmental fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information concerning the Project's expenditures by statutory code.

*Basic Financial Statements*

The basic financial statements include two kinds of financial statements that present different views of the Project – the *Government-Wide Financial Statements* and the *Governmental Fund Financial Statements*. These financial statements also include the notes to the financial statements that explain some of the information in the financial statements and provide more detail.

*Government-Wide Financial Statements*

The government-wide financial statements provide both long-term and short-term information about the Project's financial status and use accounting methods similar to those used by private-sector companies. The statement of net position includes all of the project's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid. The two government-wide statements report the Project's net position and how they have changed. Net position – the difference between the Project's assets and liabilities – is one way to measure the Project's financial health, or position.

*Governmental Fund Financial Statements*

The governmental fund financial statements provide more detailed information about the Project's significant funds – not the Project as a whole. Governmental funds focus on: 1) how cash and other financial assets can readily be converted to cash flows and 2) the year-end balances that are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps determine whether there are more financial resources that can be spent in the near future to finance the Project. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the statements to explain the relationship (or differences) between them.

CITY OF CHICAGO, ILLINOIS  
STOCKYARDS SOUTHEAST QUADRANT INDUSTRIAL REDEVELOPMENT PROJECT

MANAGEMENT'S DISCUSSION AND ANALYSIS  
(UNAUDITED)  
(Continued)

*Notes to the Financial Statements*

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and governmental funds financial statements. The notes to the financial statements follow the basic financial statements.

*Other Supplementary Information*

In addition to the basic financial statements and accompanying notes, this report also presents a schedule of expenditures by statutory code. This supplementary information follows the notes to the financial statements.

*Condensed Comparative Financial Statements*

The condensed comparative financial statements are presented on the following page.

*Analysis of Overall Financial Position and Results of Operations*

Property tax revenue for the Project was \$1,495,785 for the year. This was a decrease of 5 percent over the prior year. The change in net position (including other financing uses) produced an increase in net position of \$325,121. The Project's net position increased by 5 percent from the prior year making available \$5,082,575 (net of surplus distribution) of funding to be provided for purposes of future redevelopment in the Project's designated area. Expenses decreased this year due to the Project's formulation of a redevelopment plan or necessary funding was not substantially complete or available.

CITY OF CHICAGO, ILLINOIS  
STOCKYARDS SOUTHEAST QUADRANT INDUSTRIAL REDEVELOPMENT PROJECT

MANAGEMENT'S DISCUSSION AND ANALYSIS  
(UNAUDITED)  
(Concluded)

Government-Wide

	<u>2017</u>	<u>2016</u>	<u>Change</u>	<u>% Change</u>
Total assets	\$ 6,347,681	\$ 6,235,504	\$ 112,177	2%
Total liabilities	<u>28,206</u>	<u>241,150</u>	<u>(212,944)</u>	-88%
Total net position	<u>\$ 6,319,475</u>	<u>\$ 5,994,354</u>	<u>\$ 325,121</u>	5%
Total revenues	\$ 1,563,769	\$ 1,656,135	\$ (92,366)	-6%
Total expenses	<u>91,648</u>	<u>987,725</u>	<u>(896,077)</u>	-91%
Other financing uses	<u>1,147,000</u>	<u>370,000</u>	<u>777,000</u>	210%
Changes in net position	<u>325,121</u>	<u>298,410</u>	<u>26,711</u>	9%
Ending net position	<u>\$ 6,319,475</u>	<u>\$ 5,994,354</u>	<u>\$ 325,121</u>	5%

CITY OF CHICAGO, ILLINOIS  
STOCKYARDS SOUTHEAST QUADRANT INDUSTRIAL REDEVELOPMENT PROJECT

STATEMENT OF NET POSITION AND  
GOVERNMENTAL FUNDS BALANCE SHEET  
DECEMBER 31, 2017

<u>ASSETS</u>	<u>Governmental Funds</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
Cash and investments	\$ 4,823,356	\$ -	\$ 4,823,356
Property taxes receivable	1,511,180	-	1,511,180
Accrued interest receivable	13,145	-	13,145
Total assets	<u>\$ 6,347,681</u>	<u>\$ -</u>	<u>\$ 6,347,681</u>
<u>LIABILITIES AND DEFERRED INFLOWS</u>			
Due to other City funds	\$ 28,206	\$ -	\$ 28,206
Deferred inflows	1,113,348	(1,113,348)	-
<u>FUND BALANCE/NET POSITION</u>			
Fund balance:			
Restricted for surplus distribution (Note 2)	1,236,900	(1,236,900)	-
Restricted for future redevelopment project costs	3,969,227	(3,969,227)	-
Total fund balance	5,206,127	(5,206,127)	-
Total liabilities, deferred inflows and fund balance	<u>\$ 6,347,681</u>		
Net position:			
Restricted for surplus distribution (Note 2)		1,236,900	1,236,900
Restricted for future redevelopment project costs		5,082,575	5,082,575
Total net position		<u>\$ 6,319,475</u>	<u>\$ 6,319,475</u>

Amounts reported for governmental activities in the statement of net position are different because:

Total fund balance - governmental funds	\$ 5,206,127
Property tax revenue is recognized in the period for which levied rather than when "available". A portion of the deferred property tax revenue is not available.	<u>1,113,348</u>
Total net position - governmental activities	<u>\$ 6,319,475</u>

The accompanying notes are an integral part of the financial statements.

CITY OF CHICAGO, ILLINOIS  
STOCKYARDS SOUTHEAST QUADRANT INDUSTRIAL REDEVELOPMENT PROJECT

STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUNDS REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Governmental Funds</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
Revenues:			
Property tax	\$ 1,423,433	\$ 72,352	\$ 1,495,785
Interest	67,984	-	67,984
	<hr/>	<hr/>	<hr/>
Total revenues	1,491,417	72,352	1,563,769
Expenditures/expenses:			
Economic development projects	91,648	-	91,648
	<hr/>	<hr/>	<hr/>
Excess of revenues over expenditures	1,399,769	72,352	1,472,121
Other financing uses:			
Surplus distribution (Note 2)	(1,147,000)	-	(1,147,000)
	<hr/>	<hr/>	<hr/>
Excess of revenues over expenditures and other financing uses	252,769	(252,769)	-
Change in net position	-	325,121	325,121
Fund balance/net position:			
Beginning of year	4,953,358	1,040,996	5,994,354
	<hr/>	<hr/>	<hr/>
End of year	<u>\$ 5,206,127</u>	<u>\$ 1,113,348</u>	<u>\$ 6,319,475</u>

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balance - governmental funds	\$ 252,769
Property tax revenue is recognized in the period for which levied rather than when "available". A portion of the deferred property tax revenue is not available.	<hr/> 72,352
Change in net position - governmental activities	<hr/> <u>\$ 325,121</u>

The accompanying notes are an integral part of the financial statements.

CITY OF CHICAGO, ILLINOIS  
STOCKYARDS SOUTHEAST QUADRANT INDUSTRIAL REDEVELOPMENT PROJECT

NOTES TO FINANCIAL STATEMENTS

Note 1 – Summary of Significant Accounting Policies

(a) *Reporting Entity*

In February 1992, the City of Chicago (City) established the Stockyards Southeast Quadrant Industrial Tax Increment Redevelopment Project Area (Project). The area has been established to finance improvements, leverage private investment and create and retain jobs. The Project is accounted for within the capital project and special revenue funds of the City.

The financial statements present only the activities of the Stockyards Southeast Quadrant Industrial Tax Increment Redevelopment Project and do not purport to present the financial position and the changes in financial position of any other capital project and special revenue funds of the City of Chicago, Illinois, as of December 31, 2017 and for the year ended in accordance with accounting principles generally accepted in the United States of America.

(b) *Government-Wide and Fund Financial Statements*

The accompanying financial statements of the Project have been prepared in conformity with generally accepted accounting principles as prescribed by the Government Accounting Standards Board (GASB). GASB Statement No. 72, *Fair Value Measurement and Application* (“GASB 72”), addresses accounting and financial reporting issues related to fair value measurements. GASB 72 was implemented by the City beginning with its year ending December 31, 2016. This Statement provides guidance for determining a fair value measurement for financial reporting purposes and the related disclosures. This Statement requires a government to use valuation techniques that are appropriate under the circumstances and for which sufficient data are available to measure fair value. This Statement establishes a hierarchy of inputs to valuation techniques used to measure fair value. This Statement also requires disclosures to be made about fair value measurements, the level of fair value hierarchy and valuation techniques.

GASB Statement No. 77, *Tax Abatement Disclosures* (“GASB 77”), requires governments that enter into tax abatement agreements to disclose: (1) brief descriptive information concerning the agreement; (2) the gross dollar amount of taxes abated during the period; and (3) commitments made by government, other than to abate taxes, that are part of the tax abatement agreement. GASB 77 was implemented by the City beginning with its year ending December 31, 2016. In 2017, the Project made no tax abatement payments to a developer.

(c) *Measurement Focus, Basis of Accounting and Financial Statements Presentation*

The government-wide financial statements are reported using the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied.

The governmental funds financial statements are prepared on the *modified accrual basis of accounting* with only current assets and liabilities included on the balance sheet. Under *the modified accrual basis of accounting*, revenues are recorded when susceptible to accrual, i.e., both measurable and available to finance expenditures of the current period. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Property taxes are susceptible to accrual and recognized as a receivable in the year levied. Revenue recognition is deferred unless the taxes are received within 60 days subsequent to year-end. Expenditures are recorded when the liability is incurred.

CITY OF CHICAGO, ILLINOIS  
STOCKYARDS SOUTHEAST QUADRANT INDUSTRIAL REDEVELOPMENT PROJECT

NOTES TO FINANCIAL STATEMENTS  
(Continued)

Note 1 – Summary of Significant Accounting Policies (Continued)

(c) *Measurement Focus, Basis of Accounting and Financial Statements Presentation (Concluded)*

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in government-wide financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. The City has elected not to follow subsequent private-sector guidance.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from these estimates.

(d) *Assets, Liabilities and Net Position*

*Cash and Investments*

Cash being held by the City is generally deposited with the City Treasurer as required by the Municipal Code of Chicago. The City Comptroller issues warrants for authorized City expenditures which represent a claim for payment when presented to the City Treasurer. Payment for all City warrants clearing is made by checks drawn on the City's various operating bank accounts.

The City Treasurer and City Comptroller share responsibility for investing in authorized investments. Interest earned and fair market value adjustments on pooled investments are allocated to participating funds based on their average combined cash and investment balances. Since investment income is derived from pooled investments, the fair value measurement and fair value hierarchy disclosures of the newly adopted GASB 72 will not be separately presented in a note disclosure.

The City values its investments at fair value or amortized cost. U.S. Government securities purchased at a price other than par with a maturity of less than one year are recognized at amortized cost.

*Deferred Inflows*

Deferred inflows represent deferred property tax revenue amounts to be recognized as revenue in future years in the governmental funds financial statements.

*Capital Assets*

Capital assets are not capitalized in the governmental funds but, instead, are charged as current expenditures when purchased. The Government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) of the City includes the capital assets and related depreciation, if any, of the Project in which ownership of the capital asset will remain with the City (i.e. infrastructure, or municipal building). All other construction will be expensed in both the government-wide financial statements and the governmental funds as the City nor Project will retain the right of ownership.

CITY OF CHICAGO, ILLINOIS  
STOCKYARDS SOUTHEAST QUADRANT INDUSTRIAL REDEVELOPMENT PROJECT

NOTES TO FINANCIAL STATEMENTS  
(Concluded)

Note 1 – Summary of Significant Accounting Policies (Concluded)

(e) *Stewardship, Compliance and Accountability*

*Illinois Tax Increment Redevelopment Allocation Act Compliance*

The Project's expenditures include reimbursements for various eligible costs as described in subsection (q) of Section 11-74.4-3 of the Illinois Tax Increment Redevelopment Allocation Act and the Redevelopment Agreement relating specifically to the Project. Eligible costs include but are not limited to survey, property assembly, rehabilitation, public infrastructure, financing and relocation costs.

*Reimbursements*

Reimbursements, if any, are made to the developer for project costs, as public improvements are completed and pass City inspection.

Note 2 – Surplus Distribution

In December 2016, the City declared a surplus within the fund balance of the Project in the amount of \$1,147,000. In February 2017, the surplus funds were sent to the Cook County Treasurer's Office to be redistributed to the various taxing agencies.

In December 2017, the City declared a surplus within the fund balance of the Project in the amount of \$1,236,900. In February 2018, the surplus funds were sent to the Cook County Treasurer's Office to be redistributed to the various taxing agencies.

SUPPLEMENTARY INFORMATION

CITY OF CHICAGO, ILLINOIS  
STOCKYARDS SOUTHEAST QUADRANT INDUSTRIAL REDEVELOPMENT PROJECT

SCHEDULE OF EXPENDITURES BY STATUTORY CODE

Code Description

Costs of studies, surveys, development of plans and specifications, implementation and administration of the redevelopment plan including but not limited to staff and professional service costs for architectural, engineering, legal, marketing	\$ 80,574
Costs of the construction of public works or improvements	<u>11,074</u>
	<u>\$ 91,648</u>

INDEPENDENT AUDITOR'S REPORT

The Honorable Rahm Emanuel, Mayor  
Members of the City Council  
City of Chicago, Illinois

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of the Stockyards Southeast Quadrant Industrial Redevelopment Project of the City of Chicago, Illinois, which comprise the statement of net position and governmental funds balance sheet as of December 31, 2017, and the related statement of activities and governmental funds revenues, expenditures and changes in fund balance for the year then ended, and the related notes to the financial statements, and we have issued our report thereon dated June 29, 2018.

In connection with our audit, nothing came to our attention that caused us to believe that the Project failed to comply with the regulatory provisions in Subsection (q) of Section 11-74.4-3 of the Illinois Tax Increment Allocation Redevelopment Act and Subsection (o) of Section 11-74.6-10 of the Illinois Industrial Jobs Recovery Law as they relate to the eligibility for costs incurred incidental to the implementation of the Stockyards Southeast Quadrant Industrial Redevelopment Project of the City of Chicago, Illinois.

However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the Project's noncompliance with the above referenced regulatory provisions, insofar as they relate to accounting matters.

This report is intended for the information of the City of Chicago's management. However, this report is a matter of public record, and its distribution is not limited.

*Prado & Renteria*

June 29, 2018